

## A Wireless Project That's Out of This World

By Edmund L. Andrews  
*New York Times Service*

WASHINGTON — Two of America's wealthiest entrepreneurs in communications and computers, Craig O. McCaw and William H. Gates, on Monday announced the formation of a company to develop a global satellite communications network far more ambitious than anything contemplated before.

Indeed, the project is so big and so radically different from current satellite systems that it might be dismissed as an idle fantasy were it not for the two people behind it: Mr. McCaw, who built McCaw Cellular Communications into the largest cellular telephone company in the industry, and Mr. Gates, who turned Microsoft Corp. into the biggest software company in the world.

Even for businessmen with their records, the task is daunting. Their new company, Teledesic Corp., based in Kirkland, Washington, is proposing to build a \$9 billion system with 840 small satellites.

The network would transport information ranging from

ordinary telephone calls to high-resolution computerized medical images and two-way video conferences to and from virtually any spot on the planet.

As envisioned, the system would be able to deliver almost as many services as the new fiber-optic networks being built by many telephone companies. But it would be able to reach underdeveloped and rural areas that are typically cut off from advanced communications.

"The real promise of this system is to bring access for rural and remote areas of the world to the health and education services that you can get in major urban centers," Russell Daggatt, president of Teledesic, said.

Mr. Daggatt, a telecommunications lawyer who has worked closely with McCaw Cellular, will be leading a project that has been under secret development by Mr. McCaw and Mr. Gates for three years.

In a filing with the Federal Communications Commission on Monday, the company outlined the system and requested permission to begin construction with a view to providing service by 2001.

Some industry analysts cautioned that it would be premature to dismiss the concept simply because of its extraordinary scale. Indeed, Motorola Corp. has defied many skeptics in its effort to build a \$3.3 billion satellite telephone system called Iridium that would use 66 spacecraft.

"Iridium seemed like a wild idea, too, but Motorola has been able to raise \$800 million," said Richard Shaffer, a principal at Technologic Partners, a New York firm that tracks the computer and communications industry. "It's a big idea, but Craig McCaw got where he is today because he had a big idea about cellular telephones and he pursued it when skeptics said he was going to fail."

Right now, the plan is still little more than a vision. Aside from the tiny fraction that Mr. McCaw and Mr. Gates have personally contributed so far, the company has yet to raise any of the construction and launch money it will need.

The plan depends on signing up big corporate partners from around the world, which might include state-owned

See NETWORK, Page 8



THREATENING — South African police near Durban taking aim at people Monday after a boy was killed by gunfire. Throughout Natal Province, 34 people were killed. Page 2.

## A Worldwide Oil Hunt Leads to China's Savage Sands

By Steven Mufson and Steve Coll  
*Washington Post Service*

BEIJING — Out beyond Outer Mongolia, a long day's drive past sheer mountain peaks, yet another day's journey across a swamp where an explorer would sink to the waist, there lies a forbidding wasteland whose name in the local Uighur tongue means "you can get in, but not out."

This is where travelers along the ancient silk route had to detour — there was no way

through. Sand dunes tower as high as 75-story buildings. Temperatures plunge below zero Fahrenheit (minus 17.8 centigrade) in winter and soar to 120 degrees in summer. It is a landscape so desolate, said Gates Cobb of Halliburton Co., a Dallas-based oil services company, "it looks like you're on the moon."

Yet lately Halliburton and scores of other foreign oil prospectors have been trekking to the Tarim Basin, as it is called. Their surveying equipment disappears in shifting sands. Bulldozed roads vanish. Still, they press on. Wang

Tao, president of the Chinese National Petroleum Corp., said, "We do not fear hardships."

Not when such riches beckon. Some oil specialists believe the Tarim Basin may hold nearly as much oil as Saudi Arabia. For 45 years, the basin has been sealed off to foreigners by a self-communist Chinese government proud of its self-sufficiency and hostile to Western capitalism. Now Beijing has done an about-face, deciding that the only way to profit from Tarim's treasure is with Western technology and Western money.

China's turnaround in Tarim is part of a momentous opening of the global economy, the biggest reorganization of world economic activity since the cataclysm of World War I and World War II.

With the Cold War's demise, international capitalism, in the form of free domestic markets and open borders to trade and investment, has become the closest thing to a guiding ideology throughout the world. With its spread has come

See TARIM, Page 8

The Dual-Justice System  
Settlers Are Governed by Israeli Law,  
But Arabs Answer to Military RulersBy David Hoffman  
*Washington Post Service*

HEBRON, Israeli-Occupied West Bank — In the last few days, Rabbi Moshe Levinger and the Zemarya brothers took a trip before Israel's justice system. But they went in very different directions.

Mohammed Zemarya, 20, and his brother, Raed, 19, were accused of throwing stones at Israeli cars. When their turn came before Israel's military court in Hebron, no witnesses showed up. Their lawyer gave them two options: Accept a three-month sentence immediately, without a trial, or wait in detention for the witnesses and probably get a year in prison. They took three months.

The day before, Rabbi Levinger, 59, a pioneer of the militant Jewish settlement movement in Hebron, was charged with disobeying an order from the army almost two years ago. Although he claims a biblical right to live in Hebron, he did not go to the same military courtroom as the Zemarya brothers.

Rabbi Levinger went to Jerusalem, inside Israel's pre-1967 borders. He appeared in magistrate's court under rules set by Israel's criminal code and was freed on bail the same day, with a trial date set for next month. He walked

out of the courtroom and acknowledged that he may have violated the law.

"In every democratic state, people demonstrate," he said. "Perhaps some of my demonstrations were also a little bit against the law."

The separate treatment of Rabbi Levinger and the Palestinian brothers underscores one of the most enduring legacies of Israel's quarter-century occupation of the West Bank and Gaza Strip. Since Israeli Jews began settling the rocky spine of mountains in the West Bank and the sandy dunes of Gaza after the 1967 war, Israel has created a dual system of rules, laws and procedures based on nationality: one for Arabs and one for Jews.

As Israel built 144 Jewish settlements across the territories, it also sought to protect the Jewish residents who lived there. They were put inside a legal, social and economic bubble and offered the same rights and privileges as if they had never left Tel Aviv. The Arabs were excluded from this system and were governed instead by Israel's military occupation.

When the militant Jewish settler, Dr. Baruch Goldstein, walked into the Tomb of the Patriarchs in Hebron on Feb. 25 to carry out the mass murder of Muslims at prayer, he was in many ways still shielded by this bubble. And questions raised in the aftermath of his massacre of at least 29 Palestinians have cast light on the dual system.

According to testimony given to the five-man commission under the president of the Supreme Court, Meir Shamgar, that is investigating the killings, soldiers and policemen who were guarding the Tomb of the Patriarchs were operating under the dual system.

For example, when Dr. Goldstein arrived that morning in his settlement's security jeep, he was armed, wearing an army uniform and carrying a bag with seven magazines of ammu-

nition.

The case of Phra Yantara Amaro Bhikkhu has certainly done that. Two months after the charismatic Buddhist monk was first accused of various sexual transgressions and other unmonklike behavior, Thais are still avidly following a story that sounds more like a soap opera about an international jet-setter than the tale of a Buddhist preacher. And they are waiting for some answers about Phra Yantara.

Did he or didn't he father a child in Belgrade, violating his vows of celibacy? Is it true he seduced a Danish harpist and a German disciple, had sex with a Cambodian nun on the deck of a cruise ship and courted female followers in long-distance phone calls? Or is it all a conspiracy by a gang of anti-Buddhist women called the "monk hunters"? Is Phra Yantara a wolf in monk's clothing, as detractors allege, or are rival monks jealous of his shaven-headed good looks and large, heavily female following? Are Thai authorities engaged in a cover-up in the case? And will he or won't be defrocked?

The episode has also raised questions about monks' relationships with women and about religious practices that some feminists describe as sexist. It has led to some unusually candid admissions from monks about how they deal with lust in a permissive society where temptations are everywhere.

In Thailand's male-dominated culture, the practice of taking mistresses, known as "minor wives," has been all but institu-

## Clinton Will Send Missiles to Seoul

## UN Expected to Opt for New Appeal As Crisis Grows Over Nuclear Issue

By Barry James  
*International Herald Tribune*

States had drafted a resolution calling on North Korea to allow the inspections.

"This is not a sanctions resolution," she said. "This is one which really calls on them to return to an inspections' regime."

The threat of sanctions could be made in a second resolution if the first fails to persuade the North Koreans to cooperate. diplomats said.

The Chinese are likely to support or at least abstain in a vote on a resolution that stops short of sanctions, but they did not state their position in Monday's Security Council meeting.

North Korea's threat to pull out of the non-proliferation treaty came on the day that it was to have met in Geneva with American envoys to resolve the crisis. Washington called off the talks because of Pyongyang's refusal to fully disclose its nuclear plans.

Mr. Clinton, who was in Florida to promote his health plan, said that the deployment of the Patriot missiles was a "purely defensive" response to the crisis caused by the North Koreans to open all its nuclear plants to international inspection, feeding suspicions that it is building a nuclear bomb.

The United States and South Korea also said they would reconsider whether to resume preparations for the military exercises known as Team Spirit, which North Korea has condemned as a preparation for war. The exercises were suspended in the hope of coaxing the North into allowing full inspections of its nuclear plants.

The moves were designed to allow more time for a diplomatic solution, administration officials said. They said the administration wanted to show China, Japan and South Korea that it was doing everything possible to settle the dispute without a confrontation.

The Patriot missiles, for instance, will be sent to South Korea by sea, a voyage that could take 30 to 45 days. And while the administration has begun to work on a United Nations resolution to apply fresh economic penalties to North Korea, the first move will be only a warning.

North Korea, accusing the United States of strong-arm tactics and saying it had no nuclear secrets to hide, threatened to pull out of the Nuclear Nonproliferation Treaty, the 1970 accord to limit the spread of nuclear weapons.

In Vienna, the International Atomic Energy Agency on Monday referred the North's refusal to comply with the treaty to the United Nations Security Council.

Fearing a Chinese veto, the United States stopped short of pushing for economic sanctions against North Korea on Monday, and instead began a drive in the Security Council for another appeal to Pyongyang to cooperate.

The chief U.S. delegate to the United Nations, Madeleine K. Albright, said the United

See KOREA, Page 5

## UN Finds Heavy Weapons Serbs Hid Near Sarajevo

By David B. Ottaway  
*Washington Post Service*

SARAJEVO, Bosnia-Herzegovina — UN troops have discovered a large cache of Serbian heavy weapons hidden inside the exclusion zone around Sarajevo in the worst violation of NATO's ultimatum requiring that all heavy arms be withdrawn at least 20 kilometers from the capital, UN officials said here Monday.

The arms cache, found by Canadian UN troops just inside the zone, includes four tanks, three anti-aircraft guns, four bowziers and 18 mortars that the Serbs had refused to withdraw or hand over to the United Nations.

The discovery of the weapons, on Sunday, raises questions about whether the Bosnian Serbs, who had agreed to comply with the NATO ultimatum, have other stockpiles inside the exclusion zone, as the Bosnian government has consistently alleged.

None of the weapons has a long enough range to hit Sarajevo, but they would be capable either of hitting the Sarajevo-Visoko highway or Visoko itself, Major MacDowell said.

The weapons were found by a platoon of Canadians in the UN force stationed at Ciflik to keep track of six other Serbian towtrucks never surrendered or withdrawn by the Feb. 21 deadline set by NATO for the pullback of the Serbs' heavy weapons.

Platoon members had begun exploring the area to see if there were other arms.

Major MacDowell said that there was no plan to call in an air strike by NATO to destroy the Serbian weapons or to use force to seize them. Instead, UN officials were pursuing "strong forceful negotiations" with leaders of the Bosnian Serb military and civilian leadership.

"The UN is not prepared to enter into this war as another combatant," he said. "We're not going to start a ground-air operations to seize these weapons by force."

The UN force's chief of staff, General A. Van Baal, went on Monday to Pale, the headquarters of the Bosnian Serbs, to talk to their military commanders and to try to see their president, Radovan Karadzic.

Despite the reported Serbian violation, Major MacDowell insisted that the UN peacekeeping force had achieved its main objective:

See SERBS, Page 8



## 7 Killed on Swiss Train Hit by Crane

Dow Jones		Trib Index	
Down	30.80	Down	0.88%
3,864.85		112.38	
DM	1,6965	1,6968	
Pound	1,4985	1,4905	
Yen	105.875	106.12	
FF	5.7605	5.781	

Mon. close	previous close
DM	1,6965
Pound	1,4985
Yen	105.875
FF	5.7605

## Sports

Tanya Harding's former husband and two other men have been indicted on racketeering charges connected with the attack on skater Nancy Kerrigan.

Page 22

Book Review

Page 4

Chess

Page 4

Crossword

Page 24

## Kiosk

## Wolf in Monk's Robes? A Lurid Tale Binds the Thais

By William Branigin  
*Washington Post Service*

BANGKOK — In a country that has had sex with Lorena Bobbitt 20 years ago, where men routinely take "minor wives" and where politicians offer prostitutes like party favors at their celebrations, it takes a pretty lively sex scandal to hold people's attention.

The case of Phra Yantara Amaro Bhikkhu has certainly done that. Two months after the charismatic Buddhist monk was first accused of various sexual transgressions and other unmonklike behavior, Thais are still avidly following a story that sounds more like a soap opera about an international jet-setter than the tale of a Buddhist preacher. And they are waiting for some answers about Phra Yantara.

Did he or didn't he father a child in Belgrade, violating his vows of celibacy? Is it true he seduced a Danish harpist and a German disciple, had sex with a Cambodian nun on the deck of a cruise ship and courted female followers in long-distance phone calls? Or is it all a conspiracy by a gang of anti-Buddhist women called the "monk hunters"?

Is Phra Yantara a wolf in monk's clothing, as detractors allege, or are rival monks jealous of his shaven-headed good looks and large, heavily female following? Are Thai authorities engaged in a cover-up in the case? And will he or won't be defrocked?

The episode has also raised questions about monks' relationships with women and about religious practices that some feminists describe as sexist. It has led to some unusually candid admissions from monks about how they deal with lust in a permissive society where temptations are everywhere.

In Thailand's male-dominated culture, the practice of taking mistresses, known as "minor wives," has been all but institutionalized and reaches into the highest levels of society. So, too, does the practice of frequenting prostitutes.

At a celebration last year titled "Parliament Closure: The Bachelors' Style," a political party in the governing coalition gave away about 20 call girls to its members of parliament after a Chinese dinner at a Bangkok hotel. Thai newspapers reported.

Sometimes, however, men's philandering has pushed Thai women over the edge. There were numerous penis-lobbing incidents here long before "Bobbit" became a household word.

The Phra Yantara case, on the other hand, has offered aficionados a steady diet of steamy revelations and an open feud between him and his chief accuser, a rival monk, Phra

See MONK, Page 5

## U.K. Stands Fast on Dilution of EU Voting Power

Compiled by Our Staff From Dispatches

BRUSSELS — European Union foreign ministers will try again Tuesday to break British and Spanish resistance to changing voting rules in an expanded EU, but Britain warned of a continuing deadlock.

The British foreign secretary, Douglas Hurd, said the meeting, the third in as many weeks, may not be decisive in resolving a battle over national veto rights when, as planned, the EU expands to 16 nations from 12 next year.

"Sometimes agreement takes longer than we hope, and this may unfortunately be true again this week," Mr. Hurd said Monday to the Institute of European Affairs in Dublin.

Diplomats from other countries also were pessimistic about chances of a deal since the issue has become embroiled in British do-

mestic politics with anti-European hard-liners in the ruling Conservative Party warning the government against backing down.

A stalemate Tuesday is expected to worsen the crisis atmosphere in the Union.

Norway, Sweden, Finland and Austria completed negotiations on membership terms earlier this month. But the 12 current members have continued bickering over whether to reduce the rights of a minority of nations to block EU decisions.

Until the issue is resolved, expansion procedures are blocked.

Britain and Spain want the level of votes needed to form a "blocking minority" to stay at the current level so the new additions will not dilute their influence.

The 10 other nations want to increase it to make decision-making less cumbersome.

Members are assigned votes in proportion to their size. Currently, 23 votes out of 76 are needed to block a proposal within meetings of EU ministers. All EU members, except Britain and Spain, want to raise the threshold to 27 votes out of 90.

Mr. Hurd insisted member states need to be sure their views would "not be steamrolled." If the blocking minority is increased, that can no longer be assured, he said.

The foreign ministries of France and Germany said Monday that they had agreed over the weekend on a joint position ahead of Tuesday's meeting. They declined to specify further.

France last week became embroiled in a diplomatic spat with Germany when its ambassador was reported to have expressed worries that Bonn was riding roughshod over

Paris's interests in pushing so hard to bring the new members into the Union. Both governments have since been at pains to insist that their relationship at the heart of the EU is as strong as ever.

If the EU talks fail Tuesday, the enlargement could be delayed beyond the target of Jan. 1, 1995.

The European Parliament has to approve the expansion, including any change in voting procedures. The Union's 518-seat assembly is backing the 10 other EU nations against Spain and Britain.

After approval by the European Parliament, the four applicant nations will hold referendums on membership and the parliaments of the current EU nations also must approve expansion. (AP, Reuters)

## Kremlin Will Probe Rumors of Coup Plot

By Fred Hiatt  
Washington Post Service

MOSCOW — Russia's top law enforcement officer said Monday that he would investigate the coup rumors now swirling through political Moscow and, if they are unfounded, might sue for libel the newspaper that published them.

An unsigned but extremely detailed scenario for a palace coup was published Friday in the *Obshchaya Gazeta* and has since been widely discussed on television and in the halls of parliament.

Alexei Illyushenko, recently appointed acting prosecutor-general by President Boris N. Yeltsin, said he would use his own offices as well as the Interior Ministry and the Federal Counterintelligence Service to investigate the report, his spokesman said.

Few here believe that the scenario, which names several Yeltsin supporters among the supposed culprits, is exactly what it purports to be. But that has not stopped Moscow politicians, jittery after having weathered two coup attempts in less than three years, from speculating on who might benefit from circulating such a document — and who might be plotting for power.

Reformers said Mr. Yeltsin's hard-line opponents were behind the rumors about Mr. Yeltsin's ill-health or political peril, because they allegedly hope to destabilize society. The hard-liners in turn accused reformers of preparing a coup in revenge for their loss in last December's parliamentary elections.

The jitters were energized when Mr. Yeltsin left town last week for a two-week vacation in Sochi, in the relatively warm southern region of Russia. The rumor meter spiked again when Defense Minister Pavel S. Grachev delayed a trip out of town last week.

And the rumor meter spiked even higher Monday when Prime Minister Viktor S. Chernomyrdin revised his schedule at the last minute to fly to Sochi, where officials said he and Mr. Yeltsin conferred on a range of issues.

If political Moscow was feverish, many Russian voters this week showed themselves increasingly apathetic and disillusioned with democratic politics as a means to improve their situation. In dozens of local districts across the country, elections to city or regional councils failed to attract the necessary 25 percent of voters to become valid.

The local elections had been scheduled last fall, after Mr. Yeltsin urged the dissolution of Communist-era "soviets," or councils, across Russia to pave the way for a new democratic era. But in St. Petersburg on Monday, Mayor Anatoli A. Sobchak had to order the polls to stay open an extra day after only 21 percent of voters turned out Sunday. He said the city could not afford to reschedule the election, but could not live without local legislative bodies.

In dozens of other cities, turnout also fell short in many voting districts. The head of Archangelsk region called the local election there "a total failure."



PAN-EUROPEAN NUCLEAR PROTEST — Policemen battling protesters in Brokdorf, Germany, who were trying Monday to block a convoy of trucks carrying nuclear waste materials from a German reactor to the reprocessing plant in Sellafield, England. (AP Wirephoto)

## U.S. to Focus More on Ex-Soviet Republics

By Steven Greenhouse  
New York Times Service

WASHINGTON — Stung by months of criticism that it has unduly favored Russia, the Clinton administration has altered its policies, adopting a tougher tone toward Russia and focusing more on other former Soviet republics.

Although the administration seems to proud to point out that it is spending more energy and money than before on the 14 non-Russian republics.

Officials are also happy to note that while

### NEWS ANALYSIS

Russia received more than half the aid to the former Soviet Union over the last two years, next year more than half will go to other republics.

After the surprising surge of nationalist forces in Russia's elections in December, Moscow's foreign policy statements have grown more shrill, and in response Washington has shown a new toughness.

While there is plenty of talk about the need for Russian cooperation to bring peace in the Middle East and Bosnia, the administration's warnings about Russia's nationalist ambitions are more frequent and firmer than before.

In a speech last week, Defense Secretary William J. Perry said the United States must help Russia consolidate its transition to democracy, but cautioned that "it is possible that Russia will emerge from the turbulence as an authoritarian, militaristic, imperialistic nation hostile to the West."

Mr. Perry's recommendation — one that should please those who say the administration has pampered Russia — was that Pentagon must keep up its defenses. He is traveling this week in Russia, Kazakhstan, Ukraine and Belarus.

"We expect that the 15 faction leaders and their entourages will present a new declaration on the political future of the country: a cease-fire and peaceful reconciliation between themselves," the UN spokesman, George Bennett, said at a news conference.

"It's a major step forward for Somalia," he said. "They have certainly been able to put past differences behind them and look to the future."

Faction leaders and their aides have been meeting in Nairobi for a

week with funding from the United Nations Operation in Somalia.

If they fail to reach agreement on Tuesday, Mr. Bennett said, "I don't think the UN is going to fund their stay for any longer in Nairobi."

The international community has feared that Somalia will revert to chaos after most Western forces withdraw in the coming days. General Aidiid and Mr. Ali Mahdi previously have announced separate plans to set up a transitional government after foreign troops leave.

The last 330 Italian troops are scheduled to leave Mogadishu by ship on Wednesday. The Americans will complete their withdrawal on Friday. Germany, France, Belgium and a number of other countries have already pulled their forces out.

Witnesses reported seeing a motorcycle with two people on it flee the scene, the police said. No arrests were reported.

A Cyprus government spokesman blamed Turkish secret services for the slaying.

Mr. Georgiades worked for the government's Press Information Office and specialized in Turkish and Kurdish affairs.

When President Leonid M. Kravchuk of Ukraine visited two weeks ago, Mr. Clinton emphasized U.S. support for the "territorial integrity" of Ukraine at a time when Russian nationalists are clamoring that Crimea belongs to them and not Ukraine.

Perhaps because they do not want to offend their friend, President Boris N. Yeltsin of Russia, or perhaps because they do not want to acknowledge that there may be a need for any midcourse corrections in policy, administration officials are reluctant to discuss their approach in terms of a tougher stance.

Mr. Talbott said the administration has always stressed maintaining the territorial integrity of the former republics. Nonetheless, many foreign policy experts say the administration's frequent recent assertions of that view regarding Ukraine, Georgia and the Baltic republics signal such a change in the face of increased Russian nationalism.

"They're moving in the right direction, but I'm not going to start applauding the administration yet," said Senator Mitch McConnell, Republican of Kentucky, the senior Republican on the Senate Appropriations subcommittee on foreign operations.

He has threatened to vote against new Russian aid because he says the administration has improperly favored Moscow. "I'm still not convinced we've seen a real change in policy," he said.

The way Mr. Talbott explained it, the administration has ostensibly paid more attention to Russia than to other republics because it is the biggest republic and because the others would be greatly affected if Russia's democratization and economic reforms fail.

He described the warmer relations with Ukraine and Kazakhstan as a response to their decisions to eliminate nuclear weapons and get serious about economic reforms.

## Touvier Plays Down Oath to Fight Jews

The Associated Press

VERSAILLES, France — Paul Touvier, the Nazi collaborator charged with crimes against humanity, admitted Monday that he had taken an oath to combat "Jewish leprosy," but he denied that he was anti-Semitic.

Testifying for the first time in his trial, Mr. Touvier said he was shocked by the anti-Jewish rhetoric of his comrades in a militia that collaborated with the Gestapo in German-occupied France.

Mr. Touvier, 78, is charged with arranging the executions of seven Jewish hostages near Lyon in June 1944 while serving as the militia's intelligence chief.

The head of the three-judge panel, Henri Boulard, led Mr. Touvier through his life story.

"I never considered myself anti-Semitic," Mr. Touvier said. "I am a practicing Catholic."

He denied knowing anything of German massacres of French civilians after D-day, or of roundups of Jews in 1942.

"I wasn't aware, not at all," he said. "There was no television and we only listened a little to the radio. It was censored. We didn't know anything about roundups or deportations."

Judge Boulard read documents giving the ideology of the pro-Nazi militia in which Mr. Touvier served, including a vow to combat "Jewish leprosy" and promote "French purity."

Mr. Touvier was asked if he took this oath.

"Yes," he replied, "but in a group. It shocked me. I didn't see anything anti-Semitic. That's just words. The author didn't intend to have a mean one."

Mr. Touvier also said he was "very shocked" when the chief of the Vichy regime's militia, Joseph Darnand, swore allegiance to Germany.

According to the charges, Mr. Touvier handed over the seven Jewish hostages following the death of Philippe Henriet, propaganda minister of the Vichy regime that governed occupied France.

The hostages were taken to a village cemetery, lined up against a wall and shot.

Mr. Touvier worked closely with a local Gestapo chief, Klaus Barde, who died in a French prison after being convicted of crimes against humanity in 1987.

After the war, Mr. Touvier was protected and financially supported by elements of the Roman Catholic Church. At the behest of church officials, President Georges Pompidou pardoned Mr. Touvier in 1971.

He surfaced briefly after the pardon but went underground again when outraged Resistance groups and Jewish survivors came forward with evidence to bring new charges. He was arrested in 1989 at a priory in Nice.

## 4 ANC Officials Are Among 34 Killed in Natal

Reuters

DURBAN, South Africa — At least 34 people, including four African National Congress officials, were killed in Natal Province during the weekend, the police and the ANC said on Monday.

The police said gunmen shot and killed four ANC officials at Ndaleni black township, near Richmond in the Natal Midlands on Sunday afternoon.

Nearly 15,000 people have died in political violence in the past four years of apartheid reform, at least half of them in Natal, which is the power base of the Inkatha Freedom Party leader, Chief Mangosuthu Buthelezi, who is refusing to take part in South Africa's first all-race elections in April.

Meanwhile, a fire that prisoners demanding the vote in the upcoming elections apparently set in their own cell killed 21 inmates, officials said Monday. A prison spokesman said the fire, at Queenstown, in Eastern Cape, was part of a mass action by the South African Prisoners' Organization for Human Rights to secure the vote for prisoners in April 26-28 polls.

## WORLD BRIEFS

### Racism on Rise in France, Panel Says

PARIS (Reuters) — An official human rights commission voiced concern Monday that the French were becoming more racist, and it condemned tough new immigration laws as a retrograde step in efforts to safeguard basic rights.

Paul Bouchet, president of the National Consultative Commission, said that there was less racist violence in France than in neighboring countries. But he added: "What is worrying is that the racist virus is continuing to spread in people's minds. Racist statements and behavior are becoming commonplace."

Mr. Bouchet said North Africans were the main victims and that there were signs of growing racism toward people from sub-Saharan Africa. According to an opinion poll for the commission, two out of five French people concede that they are "rather" or "a little" racist. Twenty-seven percent acknowledge having made racist statements, or having a racist outlook, "often" or "sometimes."

### Pakistan Shuts Consulate in Bombay

BOMBAY (Reuters) — Pakistan and India, locked in confrontation over Kashmir, blamed each other on Monday over Pakistan's closing of its consulate in Bombay, India's commercial capital.

"We consider it unfortunate," said the Indian minister of state for external affairs, Salman Khurshid. "It is designed to create an atmosphere that is not conducive to talks."

The Pakistani consul-general, Shahryar Rashed, called the closing "a step backwards" and said the decision was made after a leading hotel refused to hold Pakistan Day celebrations on March 23 on its premises. Mr. Rashed said he had searched without success or help from the Indian government for 19 months to find a suitable place for a permanent consulate, which has been operating from a rented office since August 1992. Asked if Pakistan would shut down the Indian consulate in Karachi, Mr. Rashed said: "We have not taken the next logical step yet."

### Clash Raises 2-Day Egypt Toll to 15

ASSYUT, Egypt (Reuters) — Egyptian security forces hunting gunmen who ambushed a police vehicle in southern Egypt shot and killed six Muslim militants in a dawn raid Monday, security sources said.

Two policemen, including a senior commander, were killed in the raid, taking the death toll in violence between militants and security forces in two days to 15. The security sources said the shooting occurred near the town of Abu Tig, 345 kilometers (215 miles) south of Cairo.

They said hundreds of police swept the area after gunmen ambushed a police vehicle on Sunday in a nearby town, killing five policemen and injuring six people. Also Sunday, police found two bodies in a field in the area where the police had earlier clashed with militants.

### Thatcher Faints Briefly During Talk

SANTIAGO (AP) — Former Prime Minister Margaret Thatcher of Britain fainted briefly Monday and struck her face against a microphone while delivering a speech before hundreds of Chilean businessmen. She did not fall and was not reported hurt in the incident.

Mrs. Thatcher, 68, was nearing the end of a 10-page speech at a hotel luncheon in her honor when she suddenly stopped, remaining silent for a few seconds. Her face then fell onto the microphone, and her husband, Sir Denis Thatcher, and two businessmen sitting nearby rushed to help her.

She recovered quickly, however, and returned to the microphone to apologize for what had happened. She then left for her room at a Santiago hotel, where she was reported resting a couple of hours after the incident. Earlier, she met with President Eduardo Frei.

### U.S. Sweetens the Pot for Ukraine

MOSCOW (AFP) — The United States is adding \$50 million to a \$135-million allocation for Ukraine's program to get rid of nuclear weapons, visiting Defense Secretary William J. Perry said here Monday, Interfax news agency reported.

The hostages were taken to a village cemetery, lined up against a wall and shot.

Mr. Perry signed an agreement with his Ukrainian counterpart, Vitali Redetski, for the added funds, saying cooperation between the two sides had great strategic importance, Interfax said. Mr. Perry is expected to sign further aid agreements totaling \$100 million during his stay. In Washington at the start of the month, President Leonid M. Kravchuk won pledges almost doubling American aid this year to \$700 million.

Under an agreement with Russia and the United States signed in January, Ukraine is to scrap its entire nuclear arsenal, the third largest in the world, sending the warheads to Russia to be dismantled.

### For the Record

Gunmen killed two people in an Algiers newspaper office and wounded three on Monday. More than a dozen journalists have been killed in recent months by Islamic militants. The attack on *Hebdo Liberte*, a weekly, was the first on the offices of a publication. Security forces said three men armed with automatic rifles carried it out.

An Avianca airlines DC-9 broke its front landing gear as it hit the runway in





PARTNER COUNTRY HUNGARY  
at the Hannover Fair '94

## Ideas for the Industry.

Hungary presents itself as an industrial nation with high research and development potential.

HEISST IDEE UND GEIST  
**UNGARN**



HANNOVER  
MESSE '94  
20.-22. APRIL 1994

Further information:  
Deutsche Messe AG - Messegelände  
D-30521 Hannover - tel. +511-89-0  
Telex: 92 27 28  
Fax: +511-89-326 26  
Telex: 30 143 #

## Teaching Hospitals Make Their Point President, Heeding Doctors, Promises Increased Funding

By Adam Clymer  
New York Times Service

WASHINGTON — Heeding complaints from several major medical schools and teaching hospitals that their precarious financial futures would become worse under the proposed health care overhaul, President Bill Clinton has agreed to support revisions that would provide more money for them.

At a meeting last week in Boston, Mr. Clinton also pleased representatives from academic health centers by promising a slower pace of change.

Doctors who were present said they were impressed with his understanding of the predicament they face: that they are already losing patients to other institutions that can offer lower prices because they do not have the extra costs of teaching and research and that those losses threaten the future of medical education.

More federal money would allow them to cut their rates and compete for business, they said.

Politics was clearly an element, too. Seeking expert witnesses who can help persuade the public that his plan would mean better health care for the nation, the president urged the doctors to voice their support.

No deal has been struck. In fact, few doctors or administrators in the academic world, except those who met with Mr. Clinton, are aware of the president's position and the backing it has in crucial Senate committees.

But Mr. Clinton got the first installment on the support he sought when the meeting ended and Dr. Michael Rabkin, head of Boston's Beth Israel Hospital and the group's spokesman, said: "The consensus is: The president's bill is a winner."

Since Mr. Clinton's health plan was first proposed last September, the academic institutions had complained that provisions intended to correct academic medicine's difficulties were inadequate. They also said his goal of producing more

### U.K. Promises Refugee Aid

Reuters

LONDON — Britain on Monday pledged to provide \$3.35 million in aid to Armenia, Azerbaijan and Georgia to help more than 1.25 million refugees.

Leaders of academic centers argue that the federal government should recognize their importance to the nation both as training grounds for doctors and as the institutions best able to deal with the rarest and most difficult medical conditions.

As pressure has grown nationally to hold down medical costs, insurance companies have placed limits on what they will pay, driving patients away from the academic centers.

The situation is that they have really had unbalanced budgets for the last several years," said Philip M. Dearborn, a financial research director of the U.S. Advisory Commission on Intergovernmental Relations. "They've used up all their cash and are in a very difficult cash situation now."

Already, the district gets about one-fifth of its \$3.4 billion budget from the government; the rest is supposed to come from taxes and fees.

To avoid a bailout, which many politicians here would see as undermining the district's

efforts to gain more control over its own affairs, Mayor Sharon Pratt Kelly has proposed postponing a required payment of \$230 million to the city's pension fund this year. That would allow the district to end the year with \$75 million, but it would also face challenges in the courts and in Congress and seemed unlikely to succeed.

Cutting spending enough to find the pension money is virtually impossible, officials say.

The District of Columbia, though governed by a mayor and a 13-member City Council, is a unique entity whose political decisions, including its budget, can be vetoed by Congress. The district does not have the power that the states and some cities do to raise money, but it still must provide the kind of services that states do — welfare, Medicaid, prisons and courts.

The district is also prohibited by Congress from taxing commuters to recoup the cost of public services used by suburban residents who



A 5.3-POINT REPLAY — A bulldozer leveling rubble Monday in Van Nuys, California, after an earthquake registering 5.3 on the Richter scale hit the Los Angeles area. The aftershock to the Jan. 17 quake set several fires and cracked freeways, but highways and schools were open Monday. Two people were hurt, and rehearsals for the Academy Awards ceremony were briefly interrupted.

## Capital Blues: Red Ink, White Knuckles

By Karen De Witt  
New York Times Service

WASHINGTON — This city has such huge financial problems that it may be forced to borrow money from the federal government to pay its bills, officials say. Such a move would be a blow to efforts by the District of Columbia to win more independence from Congress.

"The situation is that they have really had unbalanced budgets for the last several years," said Philip M. Dearborn, a financial research director of the U.S. Advisory Commission on Intergovernmental Relations. "They've used up all their cash and are in a very difficult cash situation now."

Already, the district gets about one-fifth of its \$3.4 billion budget from the government; the rest is supposed to come from taxes and fees.

To avoid a bailout, which many politicians here would see as undermining the district's

efforts to gain more control over its own affairs, Mayor Sharon Pratt Kelly has proposed postponing a required payment of \$230 million to the city's pension fund this year. That would allow the district to end the year with \$75 million, but it would also face challenges in the courts and in Congress and seemed unlikely to succeed.

Cutting spending enough to find the pension money is virtually impossible, officials say.

The District of Columbia, though governed by a mayor and a 13-member City Council, is a unique entity whose political decisions, including its budget, can be vetoed by Congress. The district does not have the power that the states and some cities do to raise money, but it still

must provide the kind of services that states do — welfare, Medicaid, prisons and courts.

The district is also prohibited by Congress from taxing commuters to recoup the cost of public services used by suburban residents who

work in the city. Moreover, half the real estate in the district is exempt from taxation because it is used by the government, embassies of nonprofit institutions.

The city has faced financial problems since it won limited political independence in 1974. During Mayor Marion S. Barry's 12 years in office, the city borrowed \$10 million to \$300 million a year from private lenders. Mayor Kelly eliminated that practice with a \$336 million bond sale in 1991, at the end of her first year in office. That erased the city's accumulated deficit and put the district in its best financial condition since limited home rule began, experts say.

But over the last three years, the city's budget has been balanced only through a series of accounting maneuvers. Now the mayor's office projects that if nothing is done the city's annual deficit will increase to almost \$800 million by the year 2000.

## Rightist Falls Just Short of Victory in El Salvador

Reuters

SAN SALVADOR — The governing rightist ARENA party led El Salvador's elections Monday, but its presidential candidate was short of the 50 percent of votes needed for a first-round victory, official results showed.

With 63.25 percent of votes counted, the candidate of the Na-

tionalist Republican Alliance, or ARENA, Armando Calderon Sol, had 49.62 percent of the vote.

His archrival Ruben Zamora, whose leftist coalition is headed by former guerrillas of the Farabundo Marti National Liberation Front, had 26.67 percent, the Supreme Electoral Tribunal said. The Christian Democrat candidate, Fidel

Chavez Menia, trailed with 14.97 percent. A runoff is to be held within a month.

Mr. Calderon Sol had claimed

outright victory late Sunday when early returns showed him with more than 50 percent of the vote.

But his share slipped steadily overnight as results came in from rural areas where the Farabundo Marti

National Liberation Front had most of its support throughout a civil war.

The elections were seen as the culmination of El Salvador's democratic transition after United Nations peace accords ended the war in 1992, but leaders of the opposition have claimed widespread electoral irregularities.

## BOOKS

### THE HISTORY OF THE GINGER MAN

By J. P. Donleavy. 517 pages. \$32.50. Houghton Mifflin.

Reviewed by Robert Day

THE reader gets three books for the price of one in J. P. Donleavy's "The History of the Ginger Man." Tales of literary Dublin after World War II are intertwined with a lousy autobiography of Donleavy (called "Mike" by his friends) that is in turn bracketed by an impassioned account of the publishing of Donleavy's celebrated first novel, "The Ginger Man." The last story is worth the candle; the other two: maybe.

The original "Ginger Man," published by Maurice Girodias in 1955 in his Olympia Press Traveler's Companion series, featured Sebastian Dangerfield, an American law student studying at Dublin's Trinity College. Sebastian was something of a brawler and a hedonist. He's the character who a reviewer in the Toronto Globe and Mail said gave "moral turpitude a new lease on life." Like his character, Donleavy was an expatriate; it was not until 1967 that he became an Irish citizen.

The problem with telling the tale of literary Dublin after World War II is that there was no there there. Beckett had left for Paris; Yeats and Synge and Shaw were all dead. Dublin circa 1946 is out Nabokov's

### WHAT THEY'RE READING

• The Reverend Jesse Jackson is reading "The Rape of a Privileged Class" by Ellis Cose.

"This is must reading for anyone who wants to understand the feelings of African Americans today," (Ilse Gersten, IHT)



that moving the pen (or carriage of cursor) across the page (or screen) from left to right a couple of hundred times a day is not the tode for stimulating description. As Boswell has taught us, it is what authors say that makes for good literary biography.

It is what writers think that makes them interesting: Nabokov in "Speak Memory" daydreaming about the color of words; Hemingway in "A Moveable Feast" contemplating the nature of rich women; Edith Wharton in "A Backward Glance" considering a writer's duty to society.

"The History of the Ginger Man" — at least until we get to legal wrangles over the allegedly offensive novel — doesn't seem to have much of the author's mind at work. Maybe it is a case of modesty. Modesty is not a virtue in literary autobiography, and the result for "The History of the Ginger Man" is that the minor characters are more interesting than the major ones — Girodias, for example, who published the unexpurgated "Ginger Man" in Paris in 1955 (that version didn't make it to the United States until 1965).

The book's best story is the legal battle between Donleavy and Girodias over the publishing rights to "The Ginger Man," with one highlighting what Donleavy considered the initial betrayal of including the novel among the press's pornographic titles. "I had to do it to make money," the publisher explained. "And of course, like anybody I like being rich."

The charm of "The History of the Ginger Man" lies in those scenes that glow in your mind: Donleavy walking through London's Fulham neighborhood pounding the cover of his just-published novel and saying: "If it's the last thing I ever do, I will avenge this book." Or Girodias signing his letters to Donleavy "Toodle oo." Or Donleavy writing on the wrapper in which he sent the manuscript of "The Ginger Man" to Paris: "Manuscrit littéraire, sans valeur commerciale" (literary manuscript with no commercial value). In these moments the book springs to life with as much vigor as did Sebastian Dangerfield nearly 40 years ago.

Robert Day, the author of "The Last Castle Drive" and "Speaking French in Kansas," wrote this for The Washington Post.

### CHESS

By Robert Byrne

VISHWANATHAN ANAND faced Artur Yusupov in the International Chess Federation elimination matches. In Game 5, Anand's victory featured a new idea in a sharp variation.

That there is no rhyme or reason to the naming of chess openings is shown by the Siesta Variation. Far from sleepy, its key move, 5...f5, is the introduction to a tricky gambit.

Most players avoid that kind of trouble by continuing to develop with 7...Qd8 and Anand did. But after 7...Bd3 & Re1 Be7, it does not pay for White to become greedy with 9...Re8 or 10...Ne5 because 10...Bd2! 11...Nb3 12...Nb4 Bf2! 13...Kf2 Qh4 14...Kg1 Nh6 15...Qf1! 16...Qf4 17...Qg3 Rf1!! 18...Kf1 Nh2 19...Qh2 20...Re8 was the outcome of a Michel Adams-Jeroen Piket game in Wijk aan Zee in 1991.

After 9...Bd2 10...Qe2 Nf6 11...d4 O-O, the previously accepted line, 12...d2 Ne5 13...Ne5 14...Re8, 14...Re8? Nf6 15...Re8 Bf2! 16...Qe8? Nf6 17...Qe8 fe Rf1!! 18...Kf1 Nh2 19...Qh2 20...Re8 was the outcome of a Michel Adams-Jeroen Piket game in Wijk aan Zee in 1991.

Yusupov chose the aggressive

Position after 24...Qe8

17...Ne4 Nc1 18...Nf8 Rf8 19...Rc1. Also, 15...Nd5 16...Nf8 Rf8 17...Ne4 Qg4 18...Ng3 leaves Black the exchange down for nothing.

The result of 15...e3 16...Re3 17...Nb3 18...Nb3 19...Qf8 19...Nb3 was, after 19...Re8 20...e4 21...Nb3! de 22...Bc1!, threatening 23...Rf1 24...Rf6! of 25...Bd6 the Indian showed that he could switch powerfully to attack.

Anand's 24...Bd4 threatened 25...Bf6 26...Rf6; there was no use developing by 26...Kf7 because 27...Nb3! de 28...Bc1!, threatening 23...Rf1 24...Rf6! of 25...Bd6 the Indian showed that he could switch powerfully to attack.

Anand's 24...Bd4 threatened 25...Bf6 26...Rf6; there was no use developing by 26...Kf7 because 27...Nb3! de 28...Bc1!, threatening 23...Rf1 24...Rf6! of 25...Bd6 the Indian showed that he could switch powerfully to attack.

But Anand cut down Yusupov's attacking chances with 15...Nf5, one point being that 15...Nf5 would be defeated by 16...Re4! Nc4

RUY LOPEZ

White	Black	White	Black
1. e4	1. e5	1. e4	1. e5
2. Nf3	2. Nf3	2. Nf3	2. Nf3
3. Bb5	3. Bb5	3. Bb5	3. Bb5
4. c4	4. c4	4. c4	4. c4
5. d4	5. d4	5. d4	5. d4
6. Nc3	6. Nc3	6. Nc3	6. Nc3
7. O-O	7. O-O	7. O-O	7. O-O
8. Bf4	8. Bf4	8. Bf4	8. Bf4
9. Nf3	9. Nf3	9. Nf3	9. Nf3
10. Qc2	10. Qc2	10. Qc2	10. Qc2
11. d5	11. d5	11. d5	11. d5
12. Nf5	12. Nf5	12. Nf5	12. Nf5
13. Nc5	13. Nc5	13. Nc5	13. Nc5
14. Nc3	14. Nc3	14. Nc3	14. Nc3
15. Nf5	15. Nf5	15. Nf5	15. Nf5
16. Nc5	16. Nc5	16. Nc5	16. Nc5
17. Nf5	17. Nf5	17. Nf5	17. Nf5
18. Nc5	18. Nc5	18. Nc5	18. Nc5
19. Nf5	19. Nf5	19. Nf5	19. Nf5
20. Nc5	20. Nc5	20. Nc5	20. Nc5
21. Nf5	21. Nf5	21. Nf5	21. Nf5
22. Nc5	22. Nc5	22. Nc5	22. Nc5
23. Nf5	23. Nf5	23. Nf5	23. Nf5
24. Nc5			

## Cambodia Japan Backs China on Rights Builds on Western Ideas Have Limits, Hosokawa Told Li

Compiled by Our Staff From Dispatches

TOKYO — In a slap at Washington's policy on China, Prime Minister Morihiro Hosokawa of Japan said Monday that he had told his Chinese counterpart, Li Peng, that the Western concept of human rights should not be blindly applied to all nations.

"I told him that it is not proper to force a Western- or European-style democracy onto others," Mr. Hosokawa said while flying back to Tokyo via Shanghai after his three-day trip to China.

"I made the same statement when I met President Clinton last November," Mr. Hosokawa said.

His remarks were made at a banquet given by Mr. Li on Saturday. Japanese Foreign Ministry officials traveling with Mr. Hosokawa had cut into his statement public to reporters in Beijing. They had only said the Japanese prime minister urged Beijing to improve its human rights record.

Japan is locked in a difficult diplomatic situation: It wants to strengthen ties with China, the world's fastest growing economy, while facing a bitter trade dispute with the United States.

A spokesman at the Chinese Foreign Ministry said Mr. Hosokawa had said at the banquet that he fully understood Mr. Li's position on human rights, and lauded Mr. Li for China's active role in a world

conference on human rights last year.

Mr. Hosokawa explained to journalists accompanying him on the flight back to Tokyo on Monday that he did not intend to rebuff recent efforts of the United States to pressure China to improve its human rights record. But his remark was an implicit rejection of the U.S. policy of linking China's human rights policies to its trade policies and trade privileges.

"I still have high hopes they are going to be doing enough so we can find them in compliance" and renew the trading status, he said, noting two months remained before a decision was needed.

Chinese leaders have vehemently opposed linking the two, claiming that its human rights standards are an internal matter and that Asian nations have a different concept of rights than the United States and Europe.

In Honolulu on Sunday, a top Chinese official welcomed signs that the United States might compromise in its dispute with China over human rights and said Beijing was willing to discuss the issue as long as it was not linked to trade.

The Chinese government has made it very clear that we are willing to discuss the issue with other countries," Finance Minister Liu Zhongli said.

(Reuters, AP)

### Fresh Troops Sent To Captured Base

Compiled by Our Staff From Dispatches

KON DAMREI, Cambodia — The Cambodian Army poured reinforcements into the former Khmer Rouge headquarters of Pailin on Monday, and a government commander said the back of the guerrilla resistance had largely been broken for now.

"I think the Khmer Rouge have just tried to escape wherever they can, but they don't know where to go," said General Pol Saroeun, deputy chief of the general staff.

A Thai military spokesman said in Bangkok that 25,000 Cambodians had sought refuge in Thailand to escape the fighting around Pailin, and that they would be allowed to stay on humanitarian grounds until the situation returned to normal.

That military officers said those fleeing from Chanthaburi Province included Thais who had been logging or mining for gems in the Pailin area under contracts that provide large revenues for the Khmer Rouge.

But the refugees also included families of Khmer Rouge soldiers. It was the first significant refugee exodus into Thailand since the United Nations finished repatriating 360,000 Cambodians in April 1993.

A Reuters correspondent on the Thai side of the border estimated that hundreds of unarmed Khmer Rouge guerrillas were among the refugees.

A Cambodian government officer said the town of Pailin, which the government says it occupied on Saturday, was still coming under harassing fire from guerrillas in surrounding hills.

A helicopter due to take the Cambodian chief of staff, General Ke Kim Yann, to the town had to land about four kilometers away, the officer said.

Pailin is about 355 kilometers (220 miles) northwest of Phnom Penh and 12 kilometers from the Thai border.

General Saroeun said the guerrillas had split up into small groups to carry out ambushes and harrying actions. He estimated Khmer Rouge casualties at more than 100 killed, compared with government casualties of 7 killed and 22 wounded in the operation.

"It's not been easy," he said at his tent headquarters 24 kilometers from Pailin. "We've gone through many difficulties."

But the general said he doubted the guerrillas could launch a successful counterattack as they did after the government overran their northern base of Anlong Veng last month.

"We've captured ammunition stockpiles and they have split up," he said.

(Reuters, AP)

### MONK: Thailand Scandal

Continued from Page 1

Phayom Kallayano, Phra Yantra, 43, aroused controversy initially for traveling abroad with large entourages of devotees, some of them women, staying in hotels instead of Buddhist temples and possessing two credit cards. He also often walks on pieces of white cloth, which followers lay on the ground for him to step on to bring them good luck, a practice that some Buddhists believe leads to an undue emphasis on the individual rather than on religious teachings.

Some Buddhists have been jarred by published photos of Phra Yantra wearing Mongolian clothing during a visit to Mongolia and sitting on the back of a cow in Thailand. Buddhist monks must not wear anything but their saffron robes, especially not clothing made of fur or animal skin, and are forbidden to ride on animals.

But the most serious charges are that he violated his vow of celibacy with at least four women, including a Thai who allegedly bore him a daughter in Belgrade six years ago. Phra Yantra, who has been a monk for 20 years, denies the charges.

A Cambodian-born Buddhist monk, who is now a U.S. citizen, has said that Phra Yantra seduced her on the deck of a Scandinavian cruise ship last year after telling her that they had been married in a previous life. A German female devotee has written that he made improper sexual advances, and a Danish harpist who performed for him at a monastery in Copenhagen has said that they twice had sex in her van.

Three investigative committees, including one from the Education Ministry's Religious Affairs Department, have ruled that there is insufficient evidence of sexual misconduct.

Last month, as the controversy intensified, Phra Yantra checked into a hospital after apparently suffering a stroke that temporarily paralyzed his left side. He left the hospital March 10 to convalesce at a Buddhist temple.

Since then, other monks have spoken publicly about the previously taboo subject of sexual urges. Some complained of being bombarded constantly by prurient influences in Thailand's increasingly materialistic society.

"If we lower our eyes, we cannot see the cluttered way," a young monk said. "If we look up, there it is — the advertisement for women's underpants."



A Chinese dissident, Gao Hongmin, showing his protest leaflets on Monday in Beijing. He was arrested in the street a while later.

## Tiananmen Police Seize Leafleteers

Compiled by Our Staff From Dispatches

BEIJING — At least two women tried to distribute leaflets in Tiananmen Square on Monday before dozens of policemen rushed to subdue them and seized at least one foreign journalist's film witnesses said.

In a separate incident, a man was detained outside one of Beijing's special residential compounds for foreigners after showing reporters leaflets supporting democracy that he said he planned to throw in the square.

The witnesses in Tiananmen Square said they saw leaflets being thrown into a crowd in the square, site of the 1989 student-led demonstrations for democracy, which were brutally crushed by the army.

The police immediately scrambled to gather all the pieces of paper and to deal with the leaflet throwers, the witnesses said. There was no indication what the leaflets said.

The Foreign Ministry, in effect, denied that the police had taken the pamphlets into custody, saying: "Two Chinese women were stopped by other citizens for disturbing public order."

Plainclothesmen wrestled a camera from Manuel Ceneta, a photographer for Agence France-Presse, and returned it only after exposing the film. The police also hindered a cameraman from a Canadian tele-

vision network. The reporters were covering a meeting of the national legislature, which is at the Great Hall of the People on the west side of the square.

Later Monday, a government employee named Gao Hongmin, visited the office of a Western television network to show them copies of a leaflet he said he wanted to distribute in Tiananmen.

The leaflet called for a fully free-market economy, gradual steps toward democracy and a reversal of the official verdict on the protests of 1989.

Mr. Gao, 44, said he was working alone and had no connection with the morning leaflet attempts.

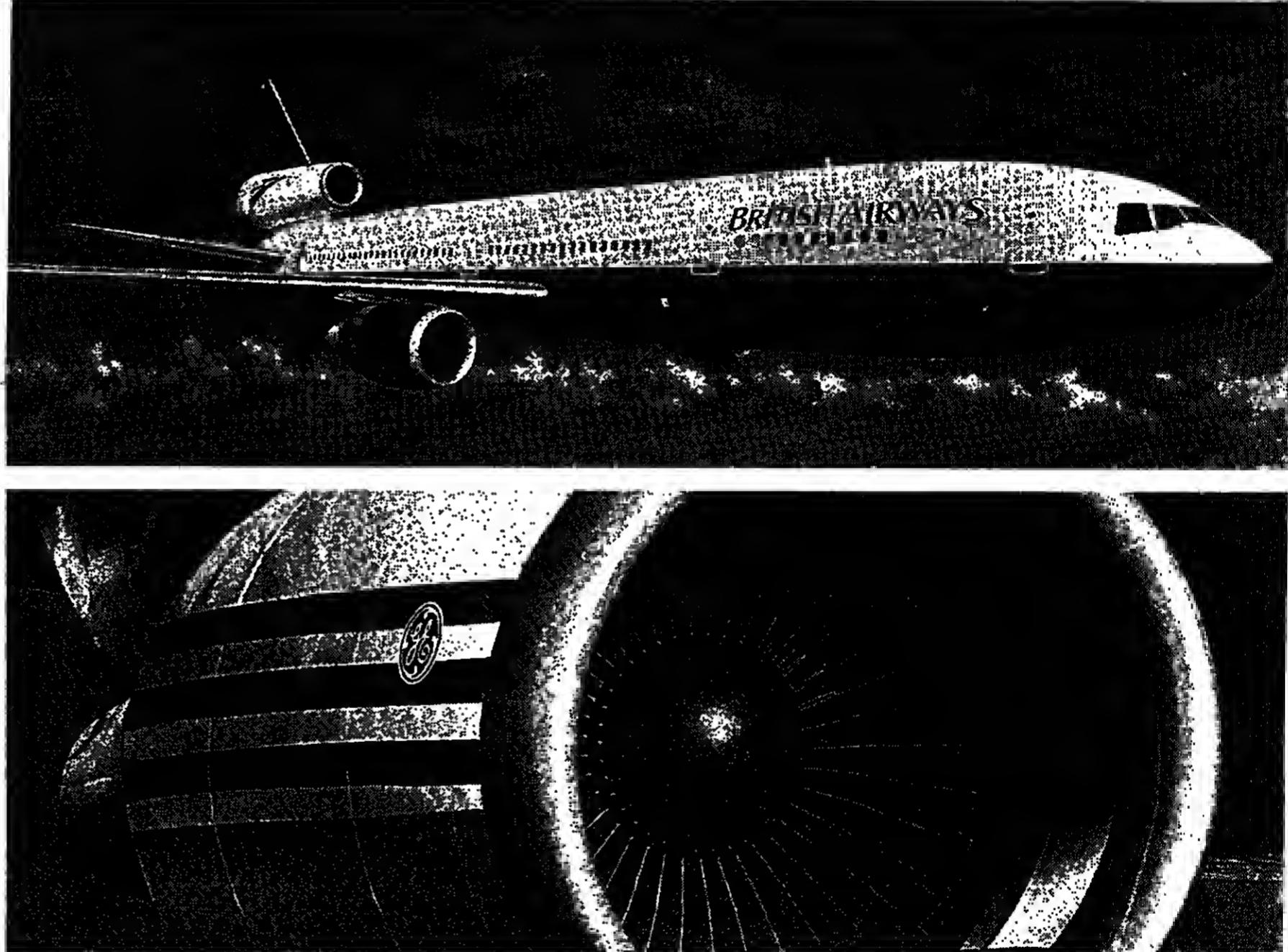
He was grabbed by security agents upon leaving the guarded compound and thrust into a car, witnesses said.

The police in recent weeks have detained and interrogated a number of dissidents.

In addition to a tiny democracy movement, Beijing also has a number of people who have expressed anger at the recent visit of Prime Minister Morihiro Hosokawa of Japan because of Tokyo's war record in China.

A Shanghai-based dissident, Bao Ge, who is fighting for compensation from Japan for wartime atrocities, was detained by the police as Mr. Hosokawa arrived in the city, a family member said. (Reuters, AP)

# TWO GIANTS.



These days the Welsh Dragon is a real high flyer since two international giants of the aero engineering industry chose Wales.

British Airways has its new engineering base at Cardiff Airport and recently General Electric (USA) has moved to nearby Nantgarw, where they service aircraft engines for famous names like CFMI, Rolls Royce and Pratt & Whitney.

With more than a little help from the Welsh Development Agency, both companies were not merely able to find the right site,

but also the right people from Wales' skilled and flexible workforce.

The WDA has also assisted in the development of a local supplier infrastructure to ensure vital components are always at hand.

To get your business off the ground, put the Welsh Advantage to your advantage. Call the team at Welsh Development International on +44 222 666862, or write to Welsh Development International, Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff CF1 3XX.

# ONE DRAGON.



THE WELSH ADVANTAGE.

# International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Toward Nuclear Security

Amid all the talk about renewed rivalry, Russia last week took two welcome steps toward nuclear cooperation with the United States. It shut down the three nuclear reactors that were still producing plutonium for nuclear arms. And it agreed to mutual monitoring of nuclear storage sites where both countries will store plutonium extracted from dismantled warheads. These moves will help reduce and secure the volume of fissile material in circulation — thereby limiting the chance that other countries with nuclear ambitions can get their hands on that material.

The next useful step is for the two nations to speed dismantlement of nuclear forces scheduled to be dismantled under two strategic arms treaties.

It makes sense for Moscow to shut down its plutonium-producing reactors; Russia has more weapons-grade nuclear material than it needs or can safely keep track of.

Russia thus joins the United States, China, Britain and France in halting production of weapons-grade plutonium and uranium. A global ban is possible if Pakistan, India and Israel follow.

Mutual monitoring of nuclear storage sites also sets a useful precedent. The United States and Russia have long accepted procedures for observing each other's missile and bomber deployments and tests. But never have they al-

lowed mutual monitoring of storage sites, helping to secure nuclear material against theft.

They now need to agree on proposals to monitor the dismantlement of warheads and to measure the material extracted. Under new procedures devised by the Pentagon, dismantling could take place without revealing warhead designs. The plutonium cores would be put in special containers that would permit the amount of plutonium to be measured without examining the cores.

There are other ways in which the two countries could extend the spirit of cooperation. Moscow and Washington have begun to retarget their missiles so they are not aimed at each other, in effect taking them off hair-trigger alert. That step, however, is too easy to reverse. To further reduce the risk of nuclear accident, they could deactivate all missiles scheduled for dismantling — removing the warheads and storing them separately.

That is already being done for missiles covered by the first Strategic Arms Reduction Treaty but not for those under START-2.

While they are at it, Washington and Moscow could do more to broaden military cooperation beyond nuclear matters. This summer's joint peacekeeping exercises in Russia's Volga military district, another first, provide a useful start.

— THE NEW YORK TIMES.

## Backward in East Europe

Two months before national elections, Hungary's right-of-center government has sacked 200 radio and television journalists, allegedly for budgetary reasons. It is no accident, to use a location often heard in Hungarian times, that those dismissed included Hungary's most popular and independent broadcasters.

Though the post-Marxist regime pretends to denounce the old autocratic ways, its moves against the press are indistinguishable in principle from those under communism. Heading the list of those dismissed are the presidents of Hungarian Television and Hungarian Radio, who were appointed in 1990 with the agreement of all major parties to put the state-owned system under an autonomous corporation, along the lines of Britain's BBC.

New guidelines were instituted to assure independence, vastly annoying the government, which assumed it would get the same favored treatment as its Communist predecessors. In the words of an ultranationalist government official, Istvan Csuka: "If these media are the most important power factor, it is justified for the winners of the first free election to gain possession of them." That is the common assumption of all leaders who wish to permanently wield the whip of power.

The Hungarian government was deeply annoyed by live coverage of a Budapest taxi strike, and by the refusal to give a sitting prime

minister exclusive air time before municipal elections. So budgets for broadcasters were savagely slashed, and then Mr. Csuka trumpeted the charge that many offending journalists were "not Hungarian," a code phrase for Jews in a country where fascism flourished between the world wars.

This was finally followed by mass dismissals. With variations in detail, similar assaults on independent journalism, especially broadcast journalism, are now commonplace in former Communist countries.

Hundreds of broadcasters were sacked in Belgrade after elections in early 1993. In Slovakia, former Communists and their nationalist allies cut budgets and forced the resignation of independent broadcast journalists, whose offense, as the minister of culture puts it, was to give "too much space to the opposition."

Fortunately, these attempts to stifle debate and limit accountability are the focus for impassioned arguments in new democracies.

About 30,000 people joined demonstrations last week in Budapest to protest the purge of broadcasters. A newspaper poll shows that most Hungarians believe the dismissals were inspired by politics and not the result of belt-tightening. Concern is justified. When journalists are fired, starved and forced into exile, it is the first big backward step to tyranny.

— THE NEW YORK TIMES.

## Let Aristide Strike a Deal

Conditions in Haiti are clearly growing worse. Soldiers have now undertaken another wave of terror intended to stamp out support for the exiled president, Jean-Bertrand Aristide. Dozens of mutilated bodies have been found in the streets in recent weeks. Meanwhile, other countries, in an effort to force the soldiers out of power, have been applying economic sanctions that so far have most hurt the people they are intended to help: Haiti's poor and disenfranchised. Food prices are soaring, the country's rudimentary transportation system has collapsed, and there are widespread reports of malnutrition and even starvation.

Some of Haiti's friends in the United States want to respond to the latest murders with broader and tighter sanctions. But if sanctions work, they will work only slowly, at an unacceptable cost to the health and lives of innocent Haitians, particularly children.

Another idea is to send in troops from the United States or other foreign countries to restore Mr. Aristide, as the country's elected president, to his office. But if foreign troops brought Mr. Aristide home, they would have to remain for a long time to prevent the military rebels from throwing him out again. It is hard to think that a long foreign occupation would be good for democracy in Haiti.

— THE WASHINGTON POST.

## Other Comment

### Tap the 'Apartheid Dividend'

Another event that took place in Bophuthatswana a few days after the battle with white extremists went largely ignored by the media but also has important implications. Nelson Mandela went to Mmabatho, the homeland's capital, and received a hero's welcome. Among those cheering were the numerous civil servants of the former homeland who could support Mr. Mandela because they had been assured they would keep their positions and their pensions.

To make a dent in inequalities in housing, medicine, education and infrastructure inherited from white rule, the new government should fire thousands of these civil servants. Eliminating the duplication would be a critical part of the "apartheid dividend" needed to address the

social backlog. But the ANC agreed to protect civil-servant jobs and pensions as part of the price of having to negotiate for power.

Having to keep so many agents of the old regime will be an enormous financial burden at precisely the time when every last rand will be needed to address social problems. Indeed, the irony that the Africans and whites who worked for and supported President Lucas Mangope are said to be ready to enter into an alliance with him and isolate the military commanders responsible for the mayhem.

It is far from certain that this strategy would work. But it may never even be tried. Mr. Aristide is mistrustful of this kind of compromise with his adversaries and suspects it is intended to reduce him to the status of a figurehead. He points out that a similar deal collapsed last year, when the military commanders refused to clear out on schedule. Since the United States and the United Nations organized that deal, he argues, it is up to them to think of another way to return him to Haiti.

That logic, unfortunately, does not lead anywhere. He is the president of the country, and if he does not begin to construct the kind of compromise that can create a coalition capable of government, no one else can do it for him. Amid great suffering, Haiti is waiting for a new political initiative. It can come best from its elected president.

— THE WASHINGTON POST.

social backlog. But the ANC agreed to protect civil-servant jobs and pensions as part of the price of having to negotiate for power.

Having to keep so many agents of the old regime will be an enormous financial burden at precisely the time when every last rand will be needed to address social problems. Indeed, the irony that the Africans and whites who worked for and supported President Lucas Mangope are said to be ready to enter into an alliance with him and isolate the military commanders responsible for the mayhem.

It is far from certain that this strategy would work. But it may never even be tried. Mr. Aristide is mistrustful of this kind of compromise with his adversaries and suspects it is intended to reduce him to the status of a figurehead. He points out that a similar deal collapsed last year, when the military commanders refused to clear out on schedule. Since the United States and the United Nations organized that deal, he argues, it is up to them to think of another way to return him to Haiti.

That logic, unfortunately, does not lead anywhere. He is the president of the country, and if he does not begin to construct the kind of compromise that can create a coalition capable of government, no one else can do it for him. Amid great suffering, Haiti is waiting for a new political initiative. It can come best from its elected president.

— Jeffrey Herbst, an assistant professor of politics and international affairs at Princeton's Woodrow Wilson School, writing in the Los Angeles Times.

## In It Together for South Africa

By Anthony Lewis

**P**RETORIA — There has never been anything exactly like it: an advanced industrial country transforming itself, in deliberate steps, from rule by an elite racial minority to a mass democracy.

That is the extraordinary process now taking place in South Africa, pointing to an election April 27-28 in which the black majority will be able to vote for the first time.

The process produces daily won-

**M**andela and de Klerk are political opponents, but both are intent on getting to the election next month, and they will not let differences over the past or the present distract them.

ders and ironies, none more symbolic than the scene in a lofty round chamber of the main government building here the other evening.

Judge Richard Goldstone,

chairman of a commission investigating the sources of South Africa's political violence, unveiled an emergency report. In measured lawyer's language, it alleged a conspiracy by high police officials "aimed at the destabilization of South Africa."

Nor did he say "I told you so," even though he had long charged that a "third force" led by police officials was stirring up violence.

Mr. Mandela and Mr. de Klerk, though political opponents, are united in one fundamental respect in this transitional period. They are intent on getting to April 27 and the election, and they will not let disagreements about the past or disagreements about the present distract them from that goal.

President Frederik de Klerk, sitting next to Judge Goldstone, said that he had put the officers mentioned on immediate leave while a new international prosecutorial team looked into the matter further. A reporter asked whether they would be arrested.

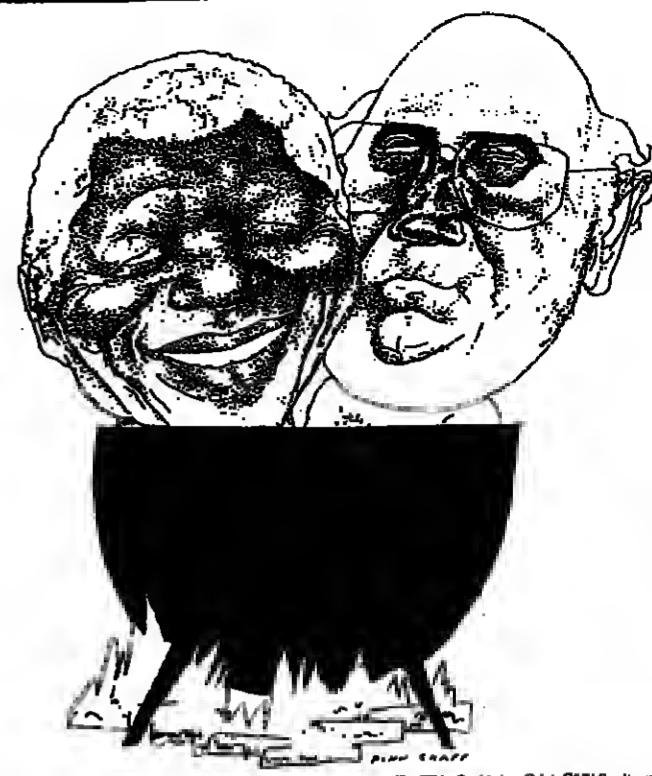
"We cannot just arrest a person because his name is mentioned," Mr. de Klerk said. "We have a civilized legal system."

A civilized legal system: in a country where 95,000 people have been detained without trial since 1963, when Mr. de Klerk's National Party introduced the idea of such detentions. Most were detained without any evidence of crime for political reasons. A large number were held in solitary confinement for months or years. Some like Steve Biko, were killed.

Mr. de Klerk's answer might then have elicited cries of outrage. But Nelson Mandela, leader of the African National Congress, made friends in the process.

In a sense, perhaps, that strange

scene when Judge Goldstone pub-



By GRAFF in Osnabrück (Ost) C&W Syndication

lished his report reflected the new South Africa struggling to emerge from the old.

For the hope is that from here on South Africa will have a civilized legal system, with a new constitutional court enforcing a new bill of rights and police obeying the law.

And after all, President de Klerk's appointment and support of Judge Goldstone represent a commitment to that kind of future.

But first the country has to get past April 27. And there the big hurdle is the man whose Inkatha Party got all those weapons from the alleged police conspirators: Chief Mangosuthu Buthelezi of KwaZulu.

Chief Buthelezi is doing his best to sabotage the election and prevent its taking place. The reason is simple: If he takes part in an election, he knows he will do badly.

The New York Times

## Asia: Economic Growth and a U.S. Role Don't Guarantee Peace

By Paul Dibb

**C**ANBERRA — Asia is in vogue these days, with pundits East and West proclaiming the dawn of a peaceful Pacific century. Secretary of State Warren Christopher says there has not been a better time for peace in the region in this century.

Such optimism is based on two assumptions. First, that Asia's rapid economic growth and increasing economic interdependence will reduce the reasons for, and raise the costs of, armed conflict. Second, that America will continue to play a key security role in the region, thus maintaining the current balance of power.

But Asia is a region where there are still serious ideological, territorial and religious disputes, historical antipathies and the clash of cultures. It also is the world's fastest growing economy, with a projected rate of 7 percent by the year 2000, exceeding \$100 billion a year.

Growing concerns over Pyongyang's nuclear ambitions are just one sign of the spread of nuclear weapons and ballistic missile technology evident in China, India and Pakistan, as well as in North Korea. There are clear signs that several Asian countries are covertly developing chemical and biological weapons or the capacity to make them. Advanced conventional weapons are increasingly being introduced throughout the region.

As the constraints imposed by the Cold War are released and new tensions emerge, a period of change and uncertainty is likely in Asia. And as countries enlarge their military stockpiles, the middle powers must do more for their own defense.

America will continue to have important strategic interests in Asia but it will be focused on North Asia — on the Korean Peninsula, China, Japan and Taiwan. Even so, there are doubts

about the strength of America's commitment to this part of the world in the longer term.

China is an ambitious power and its strategic influence will grow over the next decade as its economic strength gives it the means to become a more powerful actor in the Asian security equation. Beijing is the one power with the potential to contend with the United States for regional leadership in the 21st century. Already it has the ability to project military forces superior to those that Southeast Asian nations could deploy to the South China Sea, where there are serious territorial disputes.

Economic rationalists argue that China will never actually use its military forces abroad because it has too much to lose given its increasing dependence on world trade. But when its senior leader, Deng Xiaoping, dies, China will undergo a major political transition that could produce instability at home and more aggressive policies abroad.

The other Asian great powers, Japan and India, do not give cause for such concern. Militarily, they are likely to remain essentially regional powers. And Russia, preoccupied by serious domestic problems, will have few interests in Asia for some years.

Rapid economic growth in Asia will cause changes in political power. If the region can continue for the next 20 years to outgrow the rest of the world, as it has done for the past 20 years, it will account for more output than North America and the European Union combined. By early next century, the Chinese con-

omy may be larger than that of the United States. Such developments eventually would produce a new correlation of power in Asia and substantially different military possibilities.

As Asia becomes a tougher economic competitor, rivalry and a desire for advantage over others will grow apace. Amid such strategic uncertainties, it is far from clear that Asia will evolve peacefully. Strong historical enmities and rising economic power could well produce a dangerous level of tension.

Imaginative policies are required that focus on the need for multilateral cooperation and military dialogue between the countries of the region, as well as greater economic exchanges. The creation of APEC, the Asia-Pacific Economic Cooperation forum, and of the ASEAN regional security forum, are sensible steps.

To the extent that understanding and constructive contact between military forces in the region can be developed, the chances of miscalculation, surprise attack or any unleashing of nationalist forces will be reduced.

But it would be unwise, for now, to take the currently favorable economic and political trends in Asia for granted.

The writer, head of the Strategic and Defense Studies Center at the Australian National University in Canberra, is a former senior official of the Australian Defense Department and director of the Defense Intelligence Organization. He contributed this comment to the International Herald Tribune.

## A Difficult Inquiry Into Lithuania's Holocaust Bears Grisly Fruit

By John F. Crossland

**L**ONDON — Amid all the attention being paid to Steven Spielberg's Holocaust film, "Schindler's List," another list, drawn up by the Nazi butcher Karl Jaeger, has emerged from a recently discovered German file in Moscow.

There I found the Jaeger list among closely typed documents, some stamped with the Nazi eagle and swastika, in the so-called Special Archive. Karl Jaeger was the man principally responsible for the extermination of 96 percent of Lithuania's Jews, the highest proportion for any country.

The subject of Lithuania distressed Mr. Zuroff. "Our investigations are not going well," he said. "Ever since Lithuania became independent, attitudes on the ground there to finding the people who were involved in these crimes has left a lot to be desired."

The center, which has its international headquarters in Vienna, has helped bring many prominent Nazis to justice. But it suffered a double setback over the New Year. First the new Lithuanian government turned down its request to open an office there so that evidence could be gathered in situ, with the help of the Lithuanian legal authorities.

A government spokesman explained the refusal this way: "This Jewish organization applied to investigate when it is for Lithuanians to decide on courses of action. Our lawyers don't know all the facts and there

will be no action taken at present."

Mr. Zuroff said, "The Lithuanian government is afraid of the information which will be made public if we are allowed to do research and find witnesses. The nationalist opposition has incredible difficulty acknowledging the role played by Lithuanian collaborators in the mass murder of Lithuania's Jews."

The second blow was the recent decision of Scottish legal authorities to drop investigations into the war-time role of one of those collaborators, Antanas Gecas, a retired mining engineer living in Edinburgh. Mr. Zuroff contends that there is enough evidence to prosecute Mr. Gecas, who lost a libel case against Scottish Television in 1987 over a program on the activities of Lithuanian police under the Germans.

The Germans filmed some of the killing fields of their new eastern empire, following Operation Barbarossa, the Nazi invasion of the Soviet Union. We are familiar with the images of the victims, caught wide-eyed with terror, seconds before the fatal volley from their captors. But here, available to the public for the first time, is the chillingly impersonal report of a mass murderer of the earliest phase of the Holocaust.

The report is that of Standartenfuehrer Jaeger, commander of Einsatzgruppe 3, or Special Security Force. He avoided arrest at the end of the war and worked as a farm laborer near Heidelberg until discovered in 1959. He hanged himself in his prison cell while awaiting trial.

Karl Jaeger wrote to his superiors in Berlin from Kaunas, Dec. 1, 1941: "I am in a position to give you evidence that the Jewish problem has almost been solved here. Today there are almost no Jews left in Lithuania, except the Jews who are working for us."

## OPINION

## Say It Ain't So, Chairman, And Let Whitewater Flow

By William Safire

WASHINGTON — Eight members of the great Chicago White Sox team had just been indicted for conspiring with gamblers to throw the 1919 World Series. A young fan, tears in his eyes, ran up to Shoeless Joe Jackson and pleaded: "Say it ain't so, Joe."

I feel that way about the House banking committee chairman, Henry Gonzalez, a Democrat of Texas. He was my hero. For years, while Beltway elitists joined bankers' lobbyists to scoff at his ponderous style, I admired his courage in taking on the titans of the executive branch and the regulatory agencies.

Long before the Banca Nazionale del Lavoro affair blossomed into the Iraqgate scandal, it was Mr. Gonzalez who saw through the flimflam of the U.S. attorney in Atlanta. Chairman Gonzalez, drowsing on late at night to an empty House chamber, put into the Congressional Record evidence of the Justice Department's connivance in silencing inquiry into President George Bush's misbegotten financing of President Saddam Hussein of Iraq.

That was during a Republican administration. Surely, I thought, when the moment came for investigation into the savings and loan debacle and abuse of federal power in discouraging and "monitoring" of criminal referrals of bank regulatory agencies, Chairman Gonzalez would see his nonpartisan duty and lead the way in Whitewater, no matter what the pressure from Democratic satraps.

Last month, as evidence mounted of White House and Treasury meddling in a banking prosecution — and as the need for the banking committee's oversight be-

came urgent — I called my frequent source and asked: Henry, where are you?

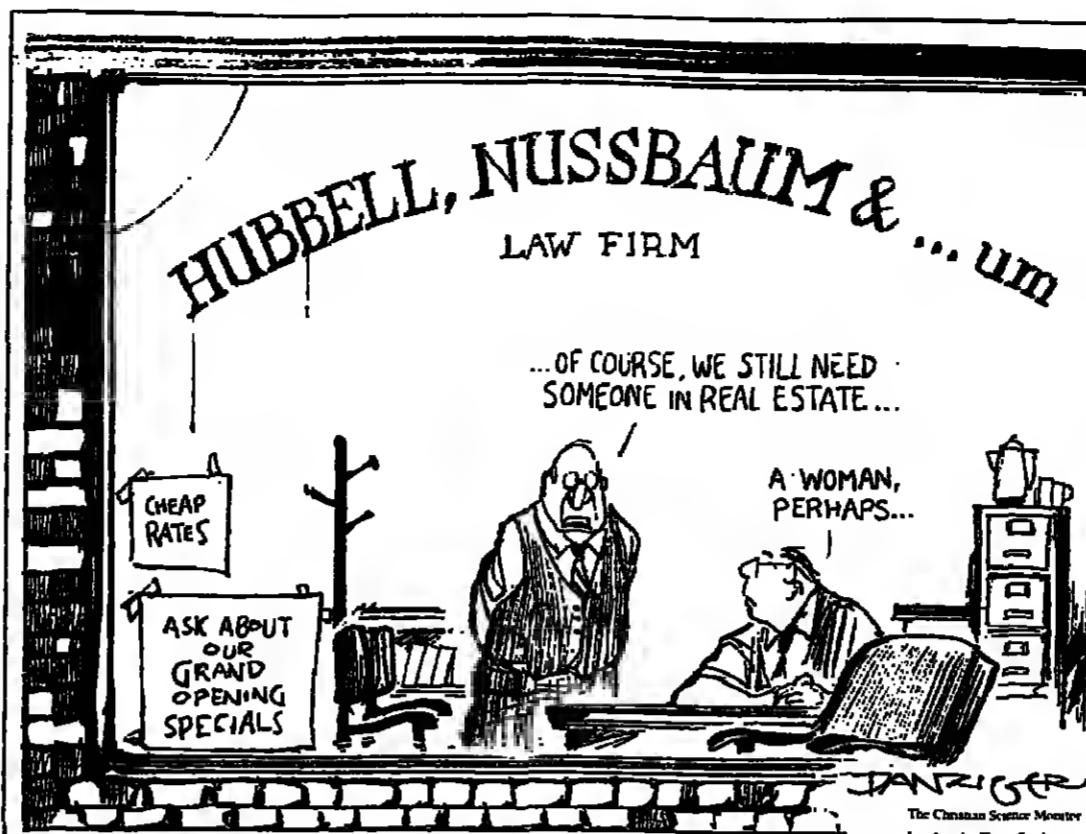
"As soon as I see some legislative purpose to hearings," he promised. "I'll hold them." Pressed about the oversight responsibility of his banking committee, Mr. Gonzalez pointedly noted that "several crack staffers" from the Republican minority were hard at work and he would study their findings. I wrote reassured: Henry might not be in the forefront, but would do the right thing.

What a foolishly idealistic pundit am I. That was before staffers working for Representative Jim Leach, the soft-spoken Iowan who is the banking committee's ranking Republican, began hitting pay dirt about the costly manipulation of Madison Guaranty Savings & Loan by the Clintons' lawyers and partners.

At that point, Henry the Unstoppable was transformed into Henry the Stopper. Nothing is subtle about the Gonzalez stonewalling: Never in the history of the U.S. Congress has there been such a blatant effort by a committee chairman to protect the White House by strangling a needed investigation in its crib.

Hearings? Henry won't hear of them. Although he cannot block the lawfully mandated semiannual oversight hearing of the Resolution Trust Corp., he insists that all the witnesses be jammed into a single day on Thursday of this week. When Mr. Leach offered to postpone this hearing a few weeks to accommodate the non-independent counsel's desire for first bite at the testimony apple, Henry said nothing doing: one day now or never.

Worse, by notifying administration witnesses called by Mr. Leach that they



do not have to cooperate, he undermines the House's power to check the executive branch. This is unprecedented partisanship, probably against House rules, but the Democrat in the speaker's chair, Tom Foley, isn't enforcing rules that might embarrass Democrats.

Who is this Leach? He's the last of the

David Wilhelm, the Democratic National Committee's pit chihuahua.

Henry, listen to your longtime admirers: You are turning Thursday's hearing into a televised trial of the Democratic stonewall. Every time Mr. Leach asks a searching question, and you rule it out of order or not germane, that will infuriate the watching public. Every wrongful rap of your gavel will drive a nail in the administration's coffin.

Repent before it's too late. Don't fall

for "unless it's criminal, it remains secret." Remember Shoeless Joe, acquitted by a jury, but driven from the playing field forever by the overseer demanded by the fans.

Do not bring shame and obloquy on the good citizens of San Antonio, and on Clinton voters everywhere, by exchanging your hard-earned reputation as fearless maverick for the shoddy shield of partisan hypocrite. Say it ain't so, Henry.

The New York Times.

## LETTERS TO THE EDITOR

## Russia's Helping Hand

Regarding "A Modest, Fragile, Partial Success, but Still a Success" (Opinion, March 15) by William Pfaff:

To call President Bill Clinton's latest initiative in the Balkans "significant foreign policy success" is being excessively generous. To deplore the Europeans' failure to conduct an effective foreign policy in the Balkans as a political "inability" is being lavishly forgiving.

All of this does not mean that one should belittle what recent progress has been made. But history will condemn the West for having been a bystander when the worst violation of human

rights and international law since the Holocaust was being perpetrated.

And has it not been President Boris Yeltsin's belated intervention in Bosnia that brought the Serbs to their senses? One wonders why Poland, Hungary, Slovakia and the Czech Republic are so keen on joining NATO when it's good old Russia that seems to achieve the so-called breakthroughs.

KARL H. PAGAC, London.

## Japan and Plutonium

Regarding "Taking 2 High-Tech Hits, Japanese Bow to Reality" (Feb. 23):

The Atomic Energy Commission of Japan is deliberating over the revision of the long-term program for development and utilization of nuclear energy, taking public opinion into consideration. The program has generally been revised about every five years, and the latest one is the result of a revision in 1987.

During the six years since then, there have been some delays in the programs

for the demonstration fast-breeder reactor, the commercial reprocessing plant and so forth. These delays are part of any technological development, and are a result of our policy of maintaining the proper supply and demand balance for plutonium, based on the principle that Japan should have no more plutonium than necessary, that is, no surplus.

David Sanger's assertion that these delays are the result of Japanese bowing to overseas pressure is inaccurate.

YASUTAKA MORIGUCHI, Science and Technology Agency, Tokyo.

## Media Missing the Point

Regarding Christopher Lehmann-Haupt's review of "On Familiar Terms: A Journey Across Cultures" (Books, March 3):

I was shocked to read in this review that "after Pearl Harbor, he [the author, Donald Keene] learned that he was among only 50 Americans who spoke

Vietnam War had only one thing on their minds: how to avoid the draft. Mr. Clinton did what millions of others did" (including Dan Quayle).

Second, more than 65 percent of American married men (a smaller percentage of women) have had or will have at least one extramarital sexual experience. Voters did not think Mr. Clinton's private life mattered.

Third, the Whitewater details seem to indicate activities that are pretty commonplace in the U.S. business world. At least Mr. Clinton lost money on the deal.

ERIK H. THORESEN, Alesund, Norway.

## Speaking of Japanese

Regarding Christopher Lehmann-Haupt's review of "On Familiar Terms: A Journey Across Cultures" (Books, March 3):

I was shocked to read in this review that "after Pearl Harbor, he [the author, Donald Keene] learned that he was among only 50 Americans who spoke

Japanese." What about the Japanese-speaking Japanese-Americans?

MARLAN CARLSON, Siena, Italy.

*Editor's note: The same review appeared in The New York Times, which a few days later printed a correction stating that the review "included an incomplete paraphrase of one recollection by Mr. Keene about the aftermath of Pearl Harbor and the number of Americans who spoke Japanese then. Mr. Keene wrote, 'Soon after the outbreak of war, I heard a radio broadcast to the effect that only 50 Americans knew Japanese. This was absurd: There were hundreds of thousands of Japanese-Americans who knew Japanese.'*

Better Than Gridlock

Regarding "Wheels in Singapore" (Letters, March 15):

J. Everett Blackworth claims that by restricting car ownership, the Singapore

government is "depriving citizens of basic rights which many consider inalienable. Can he name any country whose constitution guarantees the inalienable right to own cars?

Of Singapore households, 31 percent own cars, higher than the proportion in Hong Kong. High automobile taxes in Singapore are compensated for by low personal and corporate taxes.

Overall, Singaporeans pay lower taxes than the citizens of most developed countries. This policy is imposed not by the "elite," but by a democratically elected government which must face the voters every five years.

Nobody likes to pay high car taxes. But when the alternative is what has happened in New York, Los Angeles, Bangkok, Taipei and Seoul, high car taxes are the least objectionable and the most effective alternative to gridlock.

TOMMY KOH, Singapore.

*The writer is a former Singapore ambassador to the United States.*

us, its brightly colored, bushy leaves on the side facing the sun. The plant's "good" side lent elegance to dinner parties if turned toward the interior a few minutes before the guests' arrival.

Long after the guacamole is eaten, the supermarket avocado seed sits in a water glass, held up by toothpicks until it takes root. The resulting skinny stalk with its three large shiny leaves proves to be the most accurate indicator of when to water the houseplants. Its tendency to droop at a moment's notice is legend.

As we become more sophisticated about apartment gardening, we come to appreciate the absence of pests and guard our plants from any outside vegetation. The 99-cent special houseplants outside the grocery store are not to be trusted. And if an infested plant is discovered next to our carefully tended African violets, tossing it away is easier than treating its affliction.

We learn which flowers can grow indoors, and have mild successes with geraniums and impatiens. The balcony is the perfect place to watch over summer blooms: Its small size assures that any wilted flowers will be promptly noticed, then pinched off to encourage replacement. Border plants, like bright red salvia, work well even when the only available space is the border between the kitchen chairs and the street below.

This is the knowledge I bring to the half-acre. Is it any wonder that I'm planning the houseplants first?

Spider plants and philodendrons grow to immense size in southern Mexico, but we don't often see them in East Coast from yards. The outdoor coleus can't be turned in the direction of approaching dinner guests, and avocado plants are quickly dwarfed by fast-growing weeds. The pinching-off process goes a lot slower when more than six flowering plants are being observed.

And then there are caterpillars, aphids, whiteflies and neighbors — neighbors who will know if the new guy can't control pests. And bees! Just how does one share space with them?

My blank canvas is turning into a nightmare. What if the misplaced tree grows 10 feet (3 meters) over a single summer? Or if the vegetable patch yields not a single zucchini? Don't squirrels eat everything in sight? How are they kept away from the bird feeder?

A landscape architect's help seems logical. Unfortunately, all funds not funneled into rent over the years went into the down payment for the half-acre.

The stonemason left a few pieces of golden-vein granite in the backyard, perhaps sensing that we are new at this stuff. Maybe a rock garden is the answer ... and a gazing globe, I have found a perfect corner for the focus.

Ms. Sapienza is a writer and illustrator. She contributed this comment to The New York Times.

## From 2d-Floor Potting Soil To Our Half Acre of Eden

By Linda Angeloff Sapienza

PORT WASHINGTON, Pennsylvania — Be careful what you wish for. You may get the half-acre lot where all of your gardening fantasies are meant to come true. How many apartment dwellers have dreamed of working the same magic outdoors that they do in small spaces, knowing they possess skills that far surpass the limitations of the windowsill and balcony?

What a thrill to decide where to put a tree, or what to plant in the vegetable

## MEANWHILE

patch. Think of the satisfaction in gazing on an evolving color palette designed to keep flowers in bloom all season.

Last month my family moved to a rural area near Philadelphia, ending 20 years of apartment gardening. When covered with snow, the half-acre (.2 hectare) looked like the proverbial blank canvas. But with spring here, the melting snow reveals challenges far more daunting than choosing the best corner for the focus. Can a green thumb earned above the second floor succeed with dirt that doesn't come from a bag labeled "potting soil"?

We apartment gardeners begin our careers on a small stage. With each new lease we seek better light, and in the best of worlds we get a balcony large enough for two kitchen chairs.

Most of us began with macramé plant holders and easy-to-grow spider plants. Philodendrons provided adequate window treatment, the tendrils hanging down over empty curtain rods. The sunniest window was reserved for the cole-

**The Mitsubishi Pajero's long list of T2 class victories proves the durability and driveability of Mitsubishi cars on the highway**

**1994 Paris-Dakar-Paris Rally**

**1993 Pharaohs Rally**

**1993 Baja Aragon Spain**

**1993 Baja Portugal**

**1993 Baja Sardinia**

**1993 Atlas Rally**

**1993 Rally of Tunisia**

**1993 Paris-Dakar**

**Credentials**

Under the harshest conditions, a Mitsubishi does more than survive: it conquers. The Pajero's record in the T2 class at rallies proves it.

T2 cars are regular production vehicles with only basic modifications for racing. They're very similar to the cars you see on the highway. In long-distance rallies, these T2 cars are pitted against conditions no ordinary driver should have to endure — blinding sandstorms, bone-chilling snow, searing heat. Only an extremely durable vehicle can thrive under such

**MITSUBISHI PAJERO**  
In some countries the Mitsubishi Pajero is called the Montero.



**MITSUBISHI MOTORS**

**CREATING TOGETHER**





**NYSE**

### Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

INTERNATIONAL HERALD TRIBUNE, TUESDAY, MARCH 22, 1994

Continued on Page 18

هذا من الأصل



# MALAYSIA

POWERHOUSE OF THE '90s

**With economic growth running at 8 percent annually, Malaysia is quickly gaining ground among Asia's developing economies. Current estimates predict that the per capita income of Malaysians, who currently number 18.4 million, will increase eightfold in the period from 1990 to 2020.**

## FAST-FORWARD FOR ECONOMY

**Malaysia** is its economy expanding at a steady clip, is confident of catching up with the industrialized West by the year 2020.

Once a splendid mansion, the Coq d'Or on Kuala Lumpur's Jalan Ampang boulevard is favored by those who rate restaurants on atmosphere, not cuisine. Six years ago, so deep was the recession that some nights one could dine in this

**The debt-service ratio is only 2.4 percent**

palatial canteen all alone. These days, patrons must book or stand in line – and sometimes both. The recession over, Malaysia has sped into prosperity.

Turning up late for a recent lunch date at the Coq, a business tycoon jumped out of his Jaguar and offered this excuse: "Sorry, it's the traffic – a side effect of our success." That just about sums up Malaysia in 1994: a country with growing pains, but confident that its progress is unstoppable. Such assuredness is understandable, given Malaysia's record. "You can't argue against success – and it's our success that makes us so confident about the future," says Kuala Lumpur businessman Lim Kok Wing.

Malaysians are so confident that they have set themselves the goal of becoming a fully developed country by the year 2020. The way to get there is to achieve an average annual growth rate of 7.5 percent for the next 30 years. Easy, say those who drafted Vision 2020, a national mission statement issued in 1991. If the vision comes to pass, Malaysians will be four times richer in 2020 than they are today.

So far, things are going swimmingly for Vision 2020. Economic growth, above 8 percent for the seventh year running in 1993.

Malaysia should hit 8.2 percent this year. The rate of inflation, expected to be held below 4 percent again this year, will show once more that the government has mastered the difficult trick of keeping prices steady in a fast-expanding economy.

If, as expected, the current account of the balance of payments registers a healthy surplus this year, claims that the economy has been allowed to overheat will again be proven false. Says a senior Finance Ministry official: "If we pushed the right levers, we could make the economy go even faster. But what we are after is sustainable development. We believe we are achieving that with a growth rate of 7.5 percent to 8 percent."

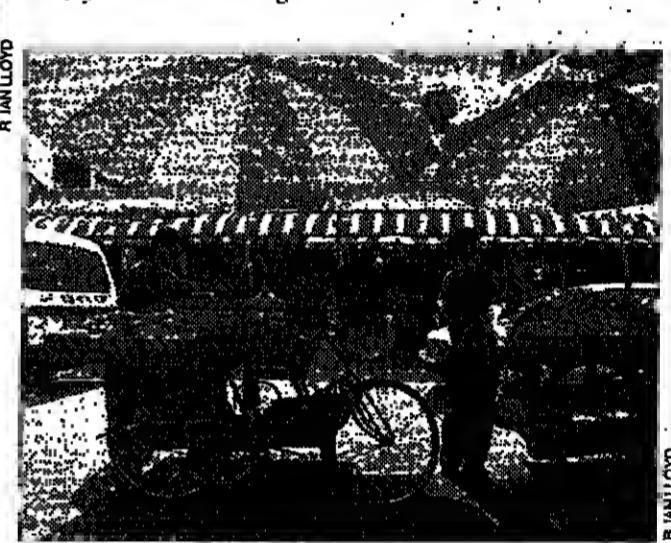
Some still worry about economic machismo: Is Malaysia risking everything it has achieved in a desperate gamble to catch up with the West? Nonsense, say the pundits at the Finance Ministry. If proof of Malaysia's prudence, indeed conservatism, is required, it is there on the balance sheet. Central bank reserves are larger than the country's foreign debt.

The debt-service ratio, which measures the value of annual exports against the cost of servicing the national debt, is only 2.4 percent. This compares with the 20 percent that the World Bank says is acceptable for a fast-developing economy like Malaysia's. Little wonder that bankers engage in a mad scramble on the few occasions that the government asks to borrow money.

What is the secret of Malaysia's success? Being at the epicenter of the world's most dynamic region helps: Malaysia is the only member of the Association of Southeast Asian Nations that shares a border with all the rest – Brunei, Indonesia, the Philippines, Singapore and Thailand. Having lots of space and plenty of natural resources also helps; Malaysia's population density is one-quarter that of Singapore and half that of Thailand.

Within the next 18 months, there must be a general election. The ruling National Front is a coalition of Malay, Chinese and Indian parties that Mr. Mahathir's United Malays National Organization (UMNO) dominates. The coalition is tipped to improve on the two-thirds majority in Parliament it won in the 1990 poll.

"We will do better this time, because the leadership question within UMNO has



*The growth of white-collar jobs and a thriving auto industry are supplanting Malaysia's traditional agricultural economy.*

## MALAYSIA'S CHANGING FACE

**In 1970, 26.8 percent of Malaysia's population lived in urban areas. By 1982, this figure had increased to 45 percent.**

**Malaysia's estimated urban growth rate for 1990-95 is 4.3 percent, faster than India and on a**

**pace with Indonesia, but slower than China and Cambodia.**

**Infant mortality decreased from 16.5 percent in 1985 to 12.5 percent in 1990. Only Singapore has a lower rate among Southeast Asian countries.**

been resolved," says Mr. Lim. Late last year, in a no-holds-barred contest, Finance Minister Anwar Ibrahim became Mr. Mahathir's understudy at UMNO. This made the 46-year-old former student leader his country's deputy prime minister – and the favorite to succeed Mr. Mahathir, a 69-year-old former country doctor.

The way others see it, stability is what you get when you handle the economy properly: it is a result of good economic management rather than prerequisite for it. "An open economy, that's the key," says Tan Kok Yin, the chief executive officer of the Federation of Malaysian Manufacturers.

Malaysians are happy to discuss the reasons for their success, to weigh this factor against that one and argue about strong government versus liberal democracy. A pleasant place for debate is the Coq d'Or restaurant – but leave lots of time to get there.

**Sid Astbury**

## INCREASED AUTONOMY FOR TRADE SECTOR

**Malaysia** seems to have reached a turning point in terms of trade and industry. The country continues to boom – registering a robust 8 percent growth in gross domestic product last year – but

**Companies urged to launch their own consumer brands**

can no longer rely on external catalysis to stoke manufacturing and export growth.

Rafidah Aziz, the minister of international trade and industry, recently announced that due to numerous factors, "large waves" of foreign investment in Malaysia were a thing of the past. As a result, domestic investment will have to play a more prominent role in the coun-

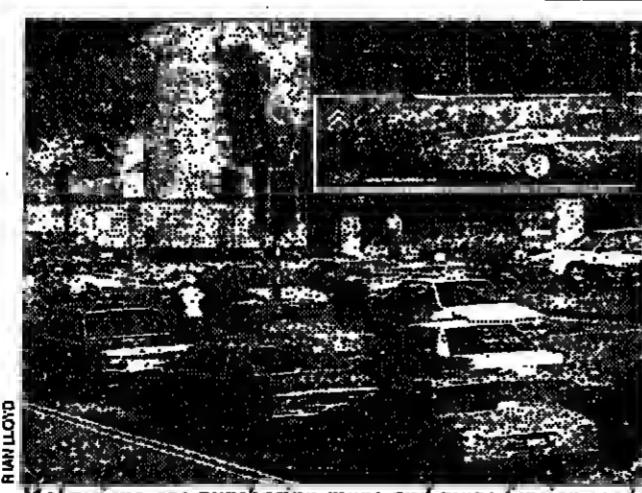
try's economic future. New investment in manufacturing fell by over 50 percent last year, to about \$5 billion. There was also a fall in the number of new manufacturing projects, from 874 to 653. In terms of origin, the United States was the top investor in 1993 with \$670 million in proposed investments, followed by Japan (\$630 million) and Taiwan (\$360 million).

The money is going into a wide range of export products, including processed foods, computers and electronics, furniture and other wood-based products, chemicals, auto parts, building materials, boats and marine equipment, steel and other metal items.

The decline in foreign investment is expected to continue for the immediate future because of weak economies in the industrialized world and severe com-

petition for investment from other Asian nations, including newly emerging economies like Vietnam and China.

Industry exports say that the worldwide trend toward the implementation of trade



*Malaysians are purchasing more and more foreign-made consumer items.*



## MALAYSIA AIRLINE SERVES more PEOPLE THAN OTHER AIRLINES

**Imagine the future for one of the world's fastest growing airlines. In 1992, we flew over 12 million passengers, more than any other airline from Southeast Asia. On a fleet of the latest 747-400s and 737-400s, some of**

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • Sid Astbury is the Asian Business magazine correspondent for Malaysia. • Christine Hill is a free-lance writer based in Southeast Asia. • Julia Clerk and Joseph R. Yogerst are free-lance writers based in Singapore.

*Continued on page 13*

*\*Buenos Aires, South America effective 28 March 1994. For reservations*

حکایت الکترونیک

## MALAYSIA

## DOMESTIC MANUFACTURING SEEKS A HIGHER LEVEL

**Manufactured goods account for 70 percent of exports**

sembling products for outside interests has brought in a lot of business, but Malaysia is finding that making its own products brings in even more.

Mention "tin mine" to many corporate types in the capital, and they will think

you mean the Tin Mine & Co-Operative at the Kuala Lumpur Hilton. Nowadays, the Hilton's basement gift shop sees more action than most of Malaysia's mines. So rapid has been the fall of the once-mighty tin-mining industry that its country on the Kuala Lumpur Stock Exchange are mostly empty stocks.

King Tin's dramatic tumble taught Malaysians a lesson: Even for a world-champion producer, reliance on primary commodities like tin, palm oil, timber and rubber can be catastrophic. Because commodity prices gyrate between high and low, economies that depend on them seesaw through booms and busts. To achieve resilience, diversification is necessary.

This is what Malaysia did after commodity prices plunged in the mid-1980s, dragging the country into its worst recession since independence from Britain in 1957. The economy was opened up to foreign investors; we were given handsome incentives to set up factories to make products that could be sold abroad.

The results are stunning. Manufacturing now contributes 30 percent to the gross domestic product.

It's as much as agriculture does. One-quarter of the work force is in manufacturing, up from 15 percent 10 years ago. Manufactured exports now account for 70 percent of total export receipts, a figure that should rise to 78 percent next year.

Malaysia is now a manufacturing powerhouse that is also famous for timber, rubber and tin. It is also the world's largest producer of palm oil.

The full impact of Malaysia's transformation from colonial outpost to manufacturing nation becomes apparent on the drive from Penang's international airport to George Town, the capital of this bustling state on the northwest coast of the Peninsula. The names that flash by read like a Who's Who of the electronics industry: Intel, Motorola, Hitachi, Hewlett-Packard, Thomson, Conner, Advanced Micro Devices – all have huge operations in Penang, Malaysia's Silicon Island. Electronics is the country's biggest manufacturing industry and Malaysia the world's largest exporter of semiconductors.

Across Malaysia, 200,000 people are employed in the electronics industry, and the industry has made Penang its home. "Acer has more than 10 offshore plants, including ones in the United States, Europe, Australia and Japan, but Penang is still our best site," says Stan Shih, the chairman of Taiwan's Acer Inc. Acer's Penang plant makes 2 million color monitors a year.

Just as the country has been transformed, so have its companies. Sime Darby is an example. Once a sleepy plantations company, it is now a Kuala Lumpur-based regional multinational with 200 companies in 21 countries and 32,000 employees.

Its assets equal about 5 percent of Malaysia's GNP.

Ahmad Yahya, Sime Darby's deputy executive chairman, bristles at the notion that the country's biggest company has lost interest in plantations. "It's not really true. We have the same acreage now as when I joined the company. Plantations are 10 percent of the profitability of the group, compared with 65 percent before. It's the buildup of the other businesses that has coined this phrase 'diversification.'

Sime Darby the plantations giant is now running a travel agency in Hong Kong and a resort in Florida, distributing bicycles in Australia and condoms in Britain, selling insurance in Thailand and making tires in the Philippines. "We are taking steps to ensure the Sime Darby name will be more well-known internationally," says Nik Mohamed, Sime Darby's 44-year-old group chief executive.

Last year, Sime Darby opened a 37 million ringgit (15.35 million) tire technology center. Lots of Malaysian companies are taking similar initiatives. They must do so – Malaysia is becoming a victim of its own success. With more jobs than workers, wages are rising fast. Malaysia is no longer an ideal location for labor-intensive, assembly-type manufacturing operations. For their survival, Malaysian companies must master the latest technologies.

Famously forthright, Rafidah Aziz, the minister for international trade and industry, puts it this way: "The time has come to take domestic manufacturing to a higher level. We have to develop Malaysian capability in the more complex stages of technological advance-

ment. By this I mean innovative technology, design and engineering technology."

Welcome to Proton, the maker of the national car – and a robust example of a local company that has triumphed in a high-technology field. Last year, Proton sold over 88,000 cars in Malaysia – 10 times the volume of its nearest rival. On home turf, it has an astonishing 73.5 percent of the market.

Ahead, Proton is also doing well. Last year, 18,525 Proton cars were sold in

Britain, giving the company 1 percent of one of the world's most competitive car markets. Britain is Proton's best overseas market, with over 70,000 units sold.

"Now we are in the first stage of planning for France, Germany and Belgium," says Mohamad Nadzmi, Proton's young managing director.

A decade ago, Proton was scorned as an expensive ego trip for the national leadership. Now, it is a beacon of light for Malaysian manufacturers. S.A.



From consumer appliances to microchips, manufactured items now account for 70 percent of exports.



### A LOOK AT THE NUMBERS

In the years 1980-92, Malaysia rose from 40th to 24th on the chart of the world's top exporting nations. During the same period, it rose from 40th to 23rd on the world import table.

Net international

reserves of the Central Bank amounted to \$22 billion at the end of 1993, double the 1991 figure.

The total output of the 58 main manufacturing industries in Malaysia rose 19.1 percent in 1993,

most entirely by debt.

"When we first started looking at how to fund the project, we did a search to North America for greenfields, power projects and bonds, and could not find any precedents."

According to Mr. Hall, local financing saved YTL risk, money and headaches. Because the deal is financed entirely in Malaysian currency, YTL is not exposed to currency risk. Because it

### WITH FINANCING DEAL, THE MARKETS COME OF AGE

**L**ate one afternoon in September 1992, the electricity all over peninsular Malaysia went dead. Francis Yeoh, the managing director of YTL Sdn. Bhd., a local infrastructure company, sensed a business opportunity. The

Malaysian economy showed every sign of continuing its five-year record of 8 percent of higher annual GDP growth, but unless the need for massive amounts of new power generation were addressed, the country's phenomenal growth would grind to a halt.

Within a few months, Malaysian government and business had found the answer. Independent Power Producers (IPPs) would build power plants and sell the electricity generated to the national power carrier. YTL obtained equity in two stations which, when completed, would produce

*The deal was called the financing model'*

1,212MW of power, the equivalent of 20 percent of the country's present electricity demand. The projected cost was more than \$1.2 billion – an amount equal to 2 percent of Malaysia's 1993 GDP.

Teo Kok Lim, an equities analyst for Baring Securities (Kuala Lumpur) refers to the deal that ensued as "the coming of age of the Malaysian capital markets." The deal proved that the domestic banks could handle long-term project financing on a non-recourse basis and without a government guarantee. Moreover, the deal provided a safe home for the Employee Provident Funds (EPF), a government-run program of enforced savings with funds of more than \$25 billion. According to Mr. Lim, the government had been looking for long-term investments with a guaranteed return.

Analysts have long considered Malaysia to have one of the most sophisticated capital markets in the de-

veloping world. Shares have been traded in the country for over 120 years, and the capitalization of the equity markets over the past six months has fluctuated between three and six times the country's GDP. "The market here is sophisticated enough for financial innovation rather than imitation," says Richard Hall, YTL's finance director and a former investment banker. "This deal has been called the

billion ringgit in a 15-year, floating-rate commercial loan, was oversubscribed by the local banks. Interest is pegged at 1.75 percent above the BLR of Bank Bumipotera, and 1.5 percent above the BLR after cash flow commences. One of the German underwriters of the deal arranged to buy 711 million Deutsche marks to speed up the financing. The remaining 15 percent of the financing costs are to be

*Malaysia's capital market has become sophisticated enough for financial innovation.*

**Malaysian Financing Model**

funded through equity contributions from YTL and its partners.

The deal set a number of records in Malaysian finance,

says Mr. Hall. "It was the largest financing package ever in Malaysia, the largest bond issue ever and the largest foreign-exchange transaction done through a commercial bank. It was the first time such a deal was put together in Malaysia guaranteed by the government, not by the government."

Moreover, adds Mr. Hall,

the YTL deal was the first

greenfield project in South-

east Asia to be funded al-

most entirely by debt. "When we first started looking at how to fund the project, we did a search to North America for greenfields, power projects and bonds, and could not find any precedents."

According to Mr. Hall, local financing saved YTL risk, money and headaches. Because the deal is financed entirely in Malaysian currency, YTL is not exposed to currency risk. Because it

was rated by the local ratings agency, Ratings Agency Malaysia, YTL did not have to deal with the added burden of country risk. "RAM doesn't factor in country risk to its ratings," he says. "However, S&P and Moody's do. They give Malaysia a single 'A' rating, which increases the cost of financing."

But you didn't see them putting a country risk rating on the United States during the Vietnam War, when hundreds of thousands of people were marching in the streets, or during the LA riots."

Christine Hill

### INCREASED AUTONOMY FOR TRADE SECTOR

*Continued from page 12*

last year, a healthy increase by any standard.

Imports hit an estimated \$42.8 billion last year as Malaysian purchases of foreign-made consumer items increased. While the government has some reason to fret over increased spending, the country still chalked up a trade surplus of \$1.2 billion.

Singapore, Japan and the United States continued as Malaysia's top three trading partners in 1993. The government is paving the way for even more bilateral trade with a recent pledge to for-

ther cut import tariffs in an effort to ensure that its homegrown products continue to gain access to lucrative foreign markets.

The government is also urging Malaysian companies to boost exports by launching their own international consumer brands instead of acting as contract manufacturers for foreign companies.

Malaysia's manufacturing sector continues to grow faster than agriculture and mining, creating 125,000 new jobs and accounting for 30 percent of gross domestic product last year. To keep

the momentum going, the government has called for a "trade-up" to technology-intensive, high-revenue-generating operations – similar to what has already taken place in nearby Singapore.

The Sixth Malaysia Plan, the most recent blueprint for national development, called for \$30 billion in investments during 1991-93. Ninety percent of this figure was met. The government's goal of having a 60-40 split between local and foreign content, however, was not reached; just 43 percent of new investment came from domestic sources.

Despite this imbalance, the government has decided that it will not give any special incentives and assistance to the manufacturing sector. Mrs. Aziz has said that the time has come for local manufacturers to "act on their own volition" and be motivated by the necessity to survive in the heat of international competition, rather than by government incentives.

In January, a trade mission to ASEAN members received pledges of \$360 million in potential investments and \$84 million in exports. Julia Clerk

### ANY OTHER AIRLINE FROM SOUTHEAST ASIA.

Today's most advanced aircraft. Spanning a truly international network of over 90 destinations. Across 6 continents\*, graced with service from the heart which says, you mean the world to us. Imagine. Fly Malaysia Airlines.

Information, call your favorite travel agent or Malaysia Airlines.

**malaysia**  
AIRLINES



# MALAYSIA

## PRIVATIZATION GIVES NEW SPARK TO POWER SECTOR

Private companies have the money, and the mandate, to solve Malaysia's energy problems.

Listed on the Kuala Lumpur Stock Exchange, now the size of Singapore's and Bangkok's combined, are the country's largest shipper, largest airline and largest port – all once government-owned and government-run. Also privatized are the electricity company Tenaga Nasional and the telecommunications company Telekom Malaysia – which together make up 40 percent of the capitalization of the stock market.

Malaysia is convinced that the sell-off has helped it circumvent the heavy overloading of infrastructure and consequent breakdowns that plague other countries in the region.

The government seems determined to get out of as many businesses as possible. Why? In the words of Anwar Ibrahim, the finance minister: "It is now evident that economic activity is better governed by market signals than by administrative directives." In the words of Mahathir bin Mohamad, the prime minister: "Self-interest will ensure that utilities and other government-owned corporations transferred to the private sector, either fully or partly, will be better run, more efficient and profitable."

These dictums are about to be tested by five Malaysian companies, each with a contract to build and run power stations. Malaysia estimates it will need an installed capacity of 25,000MW by the year 2020, up from 6,155MW

now. The bulk of that will come from the independent power producers (IPPs). Malaysia should soon have more generating capacity from IPPs than any other country in the world. "The

### *Analysts think Malaysia can be a top generator*

way things are going, we're going to have electricity coming out of our ears," says Steven Wong, chief strategist at stockbrokers UMBC Securities in Kuala Lumpur. Along with other analysts, he wonders whether there are even a couple of IPP projects too many.

Tenaga Nasional will buy power from the IPPs. It may also be obliged to let them get involved in transmission and perhaps even distribution. It views the IPPs as colleagues rather than competitors. Says Ani Arope, Tenaga's executive chairman: "We would like to create a win-win situation where every party involved will get comfortable returns on the power generation business."

Foreign companies can join in the private-power bonanza, but are limited to a 25 percent stake of the equity.

Tenaga is also entering

joint ventures as a majority shareholder with state-owned companies in the Associated Power Producer (APP) format. Five state governments have already signed up for APP deals.

The five IPP plants ap-

proved so far will be pow-

ered by gas piped in from

Malaysia's massive offshore

fields. Tenaga, which only

started using gas in 1991, now relies on it for 38 percent of its fuel needs. Gas utilization is expected to nearly double by the end of the decade, mostly at the expense of crude oil.

Kuala Lumpur expects

that it can generate electricity cheaply enough to supply

its partners in the Associa-

tion of South East Asian Na-

tions: Indonesia, the Philip-

pines, Singapore, Thailand

and Brunei.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Analysts think Malaysia

can be a top generator, too.

It has lots of natural gas for

fuel, the ability to raise capi-

tal for plants cheaply and,

after its first flush of IPPs,

the management and techni-

cal capability.

Anal

## MALAYSIA

## ENVIRONMENTAL APPROACH TAKES BULL BY THE HORNS

**M**alaysia is serious about sustainable development, and Prime Minister Mahathir bin Mohamad does not mince words about it.

Small wonder that Mr. Mahathir is regarded as one of the world's prickliest politicians - he tells it like it is. Here is what he said at the 1992 Earth Summit in Rio de Janeiro: "When the rich chopped down their own forests, built their poison-belching factories and scoured the world for cheap resources, the poor said nothing. Indeed, they paid for the development of the rich. Now, the rich claim a right to regulate the development of the poor countries."

Harsh words, perhaps - but they come from a convert to the doctrine of sustainable development. "Nowadays, if you want to interest the PM in a project, you'd better make sure it has a green theme," confides Florence Tan, the managing director of Suria Eksklusif, the company that is developing

ing a \$6 billion theme park in Kedah, a state in the northeast of peninsular Malaysia.

Malaysia now takes its international environmental responsibilities very seriously. After quibbling over the terms, it will sign the Montreal Protocol on phasing out ozone-gobbling chlorofluorocarbons. After pointing out that few developing countries have anywhere near as much area under forest, Kuala Lumpur has nevertheless cut back logging and pledged that half the country will remain under forest cover forever.

Malaysia is making it worthwhile for private companies to play the leading role in environmental management. Last year, Indah Consortium was awarded a 28-year concession for the operation of the country's entire sewage system. Indah links the Berjaya Group with Britain's North West Water. It plans to spend over \$2 billion on what is the country's largest privatized project to date.

"As you know, we don't really treat sewage in Malaysia," Mr. Mahathir admitted to reporters when he signed the contract with Indah. Indah is not taking over a national sewage system; it is cobbling one together with the assorted pipes and plants it has acquired from local authorities.

Indah was aware of the scale of the challenge. Before making an offer for the network, Indah picked it over for six months. "We realized then that we would have to refurbish the system," says David Chew, Indah's managing director.

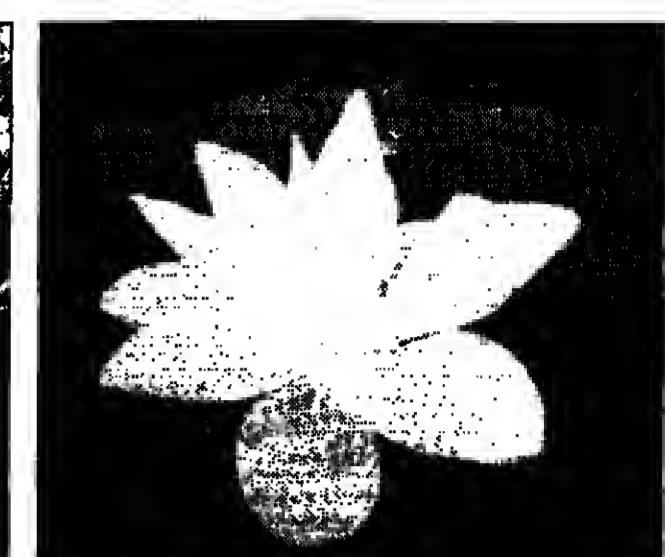
The award to Berjaya came as no surprise. Mr. Mahathir likes hyperambitious entrepreneurs with a can-do mentality, and Berjaya's Vincent Tan personifies the breed. "I would like to build a business like Korea's Samsung or Daewoo or Hyundai," says Mr. Tan, a 41-year-old former insurance salesman who has parlayed a McDonald's franchise into a group of 180 companies.



Also entrusted to private hands is the country's first centralized toxic-waste management facility. This \$75-million project at Bukit Nanas in the state of Negri Sembilan, with its related storage and feeding stations in the regions, will be a boon

to manufacturers. Electronics companies, particularly, have complained about the absence of a proper dump. They have had to store noxious substances on their premises - or ship them to toxic-waste plants abroad. The Bukit Nanas plant,

owned by Kualiti Alam, should be up and running by the end of this year. Kualiti Alam is a joint venture be-



Much of Malaysia's forest remains intact and serves as a sanctuary for its wildlife.



tween Denmark's I. Kruger and two Malaysian companies, Arab-Malaysian Development and UEM.

Selling off environmental services, for instance sewage and toxic-waste disposal, makes good sense. In an increasingly prosperous country like Malaysia, consumers are prepared to pay for a cleaner environment. Companies like Indah Consortium and Kualiti Alam, by engineering a safer environment, can make good profits - and pay taxes to the government.

Proper pricing is another principle that is making its way into the forest, driving up the value of shares in timber companies. More important, it is giving them the incentive (and the cash) to invest in state-of-the-art wood-processing plants.

MINISTRY OF PRIMARY INDUSTRY, MALAYSIA

## HOW ONE COMPANY IS RIDING THE TELECOMMUNICATIONS WAVE

Over the last four years, Technology Resources Industries Berhad has grown from a small, local electronics company into one of Malaysia's fastest-growing companies.

Although it was founded nearly 30 years ago, TRI did not catapult into double-digit growth until 1990, when it merged with a small mobile-phone business called Cellular Communications Network (Celcom), recently privatized by the government in a split from Telekom Malaysia.

Under the leadership of Chairman Tajudin Ramli, TRI is currently involved in a wide variety of business ventures, including mobile phones (Celcom), helicopter charter (Malaysian Helicopter Services), maritime shipping, property development, plastics and box manufacturing.

TRI's latest venture is a 32-percent stake in Malaysia Airlines, obtained last December. Mr. Tajudin is expected to take over as chairman of the airline in the next few months.

Despite the airline deal, communications is still TRI's core business. Celcom has grown phenomenally since its split from Telekom Malaysia, the national telephone company. The original target was to secure 3,000 mobile-phone subscribers during the first year of operation, but the final figure was closer to 8,000. Within two years, Celcom was enlisting 6,000 new customers each month. By August 1993, the new customer figure had reached 16,000 per month.

Mobile-phone demand continues to expand at a brisk pace. As a result, Celcom has accelerated its capital investment program, already in excess of \$312 million. Some \$117 million was set aside for new capital expenditures in 1994, but management is looking at new numbers in excess of \$193 million to cater to the expanded customer base and implement new services.

By the end of last year, Celcom had more than 200,000 subscribers - more than two-thirds of

the Malaysian mobile-phone market. The company forecasts 350,000 customers by 1996 and one million by the turn of the century.

TRI is also expanding overseas. In 1992, the company launched a joint venture with Cambodia's Department of Post & Telecommunications to develop a national cellular communications grid. With a 70 percent stake, TRI estimates that it will invest \$30 million in the Cambodia project.

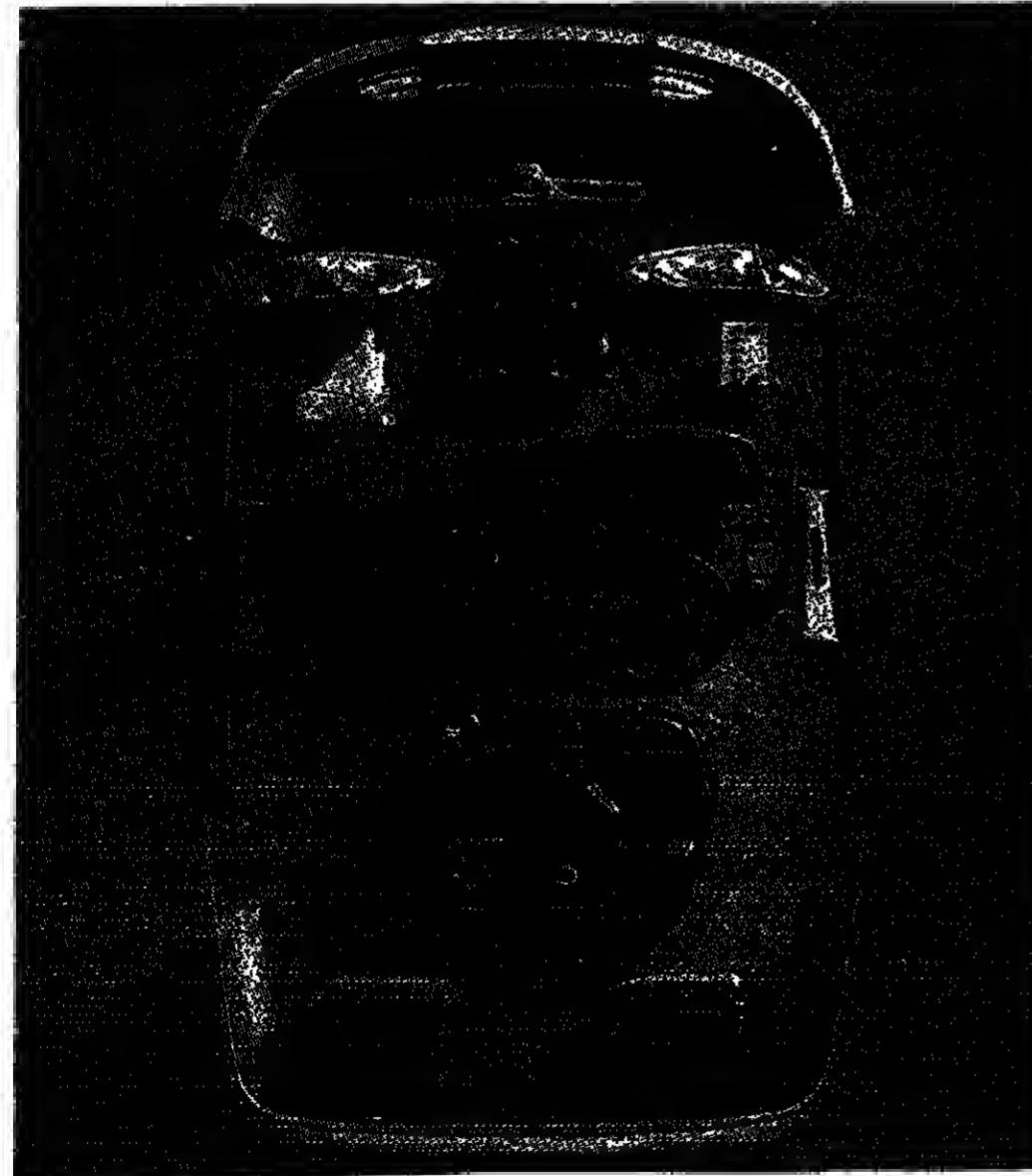
Joseph R. Yogerst

To conserve the forests, the government is cutting back on log exports and logging quotas. This drives up the price of logs, encouraging timber companies to add to their dwindling quotas.

Log exports, most of which go to Japan, dropped by half last year. Industry exports, however, were up 7 percent, to around \$4.1 billion - with furniture exports up one-third to \$881 million (S\$26 million).

Kuala Lumpur banned log exports from peninsular Malaysia in 1985. Come 1996, it will stop log exports from Sabah. The neighboring state of Sarawak, which currently accounts for 75 percent of Malaysia's log exports, is expected to halt shipments of logs by 2000. S.A.

Take a closer look at our new models and you might notice the 'green spots'.



Closer scrutiny will reveal that our Proton cars are designed for outstanding performance, comfort and improved safety.

But while we make our cars safer for you, we also believe they should be safer for the environment.

These green spots are a serious concern of ours in making our cars more environment-friendly. That's why it has led to these improvements:

• Reduced CFCs, in the manufacturing process and in the new air conditioning system.

• Optimised fuel usage. An electronically controlled Engine Emission System drastically reduces polluting gases.

• Asbestos eliminated. The entire car is made with asbestos-free materials.

• Fully recyclable parts. Many body components are stamped with material-

identification numbers for easier recycling.

So while it may be fast becoming a global concern, at PROTON, 'green' has become part of our corporate character.

**proton**  
Perusahaan Otomobil Nasional Berhad

Manufacturer of the Malaysian National Car

HICOM Industrial Estate, Batu 1, P.O. Box 7100, 40918 Shah Alam, Selangor Darul Ehsan, Malaysia. Tel: 603-511055. Telex: PROTON MA 38345. Telex: 603-5111252.

Soak yourself in ecstasy in Asia's most beautiful coral garden.



All along the Coast of Malaysia, you'll discover a fascinating underwater paradise. Crystal clear waters rippling with myriad fish and iridescent corals. A kaleidoscope of living colour. An enchanting world where the ocean turns from emerald to aquamarine with the changing tides. No wonder they call it Asia's Coral Garden. **MALAYSIA**

FASCINATING MALAYSIA



Please send me more information on holidays in Malaysia.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Tourism Malaysia  
Ministry of Culture, Arts & Tourism  
Head Office  
24-27th Floor, Menara Duta One,  
Permai Wardrobe Complex, 50100 Kuala Lumpur,  
Malaysia. Tel: 603-90510000 Fax: 603-90510000  
Telex: MTOC AL MA 30091 Fax: 603-9052042

**TOURISM  
MALAYSIA**

## MALAYSIA

## COMMUNICATIONS SEES HIGH DEMAND

**A**s in many of the rapidly growing economies in Southeast Asia, the telecommunications industry in Malaysia is booming, barely able to keep pace with surging demand among both business and home users.

Across the board, Malaysians are hungry for more telephone technology and better communications infrastructure. The challenge to convey voices and data is even greater in Malaysia than some neighboring states because of the vast distances involved and because much of the country is covered with forest and mountains.

Malaysia, however, is catching up fast. Following the privatization of Telekom Malaysia in 1987, the government has continued to liberalize the industry, allowing for the introduction of competition in all segments of telecommunications.

Rashdan Baba, executive chairman of Telekom Malaysia, says this new phase is favorable to industry, customers and the nation as a whole. "Huge investments are being channeled to satisfy anticipated growth in demand as well as to gain a strategic share of the market," he declared at a national business conference last fall.

Indeed, both local and foreign investors are flocking to the Malaysian telecommunications sector. The Ministry of Energy, Transportation and Posts estimates that more than 16 billion ringgit (\$5.9 billion) will be invested in switches for local, long-distance and international networks, cellular and satellite networks.



There is competition for all segments of telecommunications.

then, growth of direct lines has exceeded 14 percent per year.

The private sector is also helping. Celcom, the nation's largest mobile-phone company, recently installed a \$40 million microwave network to ease line congestion problems that were affecting the nearly a quarter million cellular-telephone subscribers. A nationwide fiber-optic network is being constructed by Time Telecommunications to provide the foundation for advanced intelligent network services.

In addition, Malaysia is now moving into the global satellite business. One of Celcom's sister companies has entered into a joint ven-

ture with an American company to launch Russian-made satellites for commercial purposes. The first launch took place in Siberia last November. Meanwhile, Binariang Network has been given government approval to launch a Malaysian-owned and -operated satellite next year to provide core data communication, telephone links to remote areas of Malaysia and television service.

"It takes nimbleness, flexibility and responsiveness for businesses to succeed in the global marketplace," says Mr. Nilson. "Helpful and reliable global networking systems will assist them in doing just that."

J.C.

## TOURISM COURTS A WIDER MARKET IN '94

**M**alaysia is already well on its way to becoming one of the leading industrial powers of Southeast Asia. But the country has also found another way to stimulate its economy: tourism. In less than a decade, Malaysia has gone from having practically no organized tourism to being one of the most aggressive holiday marketers in the Asia-Pacific region.

Malaysia may have entered the tourism market later than its neighbors, but it is quickly making up for lost time. Last year, the country welcomed 6.45 million tourists, and tourism earnings reached \$1.7 billion, a 15 percent rise over 1992.

This year, the government hopes to earn \$1.8 billion from 7 million tourists. According to Sabbaruddin Chik, minister of culture, art and tourism, the number of visitors is expected to grow between 7 percent to 8 percent yearly for the rest of the decade, reaching 12.5 million arrivals by the year 2000.

"Malaysia is comparatively new in tourism," says Mr. Sabbaruddin. "For quite some time, we relied on commodities - tea, rubber, palm oil, petroleum - and manufactured goods."

The government only became concerned about promoting tourism after the collapse of several important commodity markets in 1986, a circumstance that caused Malaysia's growth rate to drop to minus 1 percent. Tourism was identified as an encouraging growth area, but Malaysia faced severe competition from other well-established regional destinations like Hong Kong, Singapore, Thailand and the Philippines. "We were struggling," Mr. Sabbaruddin admits.

Infrastructure was a major problem, especially the lack of modern airport facilities and international-standard hotels. Few Malaysians seemed interested in nurturing tourism beyond the region. Meanwhile, Western knowledge of Malaysia was scant. "We had to tell people that we were north of Singapore, southwest of Vietnam," Mr. Sabbaruddin adds.

Still, the choice was clear: Malaysia could let tourism creep along at a snail's pace or push it into the fast lane. "Tourism is like a tree," says Mr. Sabbaruddin. "Left alone, the tree may survive. But with fertilizer, it will bear more fruit."

The first dose of fertilizer was the formation of the Ministry of Tourism seven years ago. That was quickly followed by Visit Malaysia Year 1990, a special program to give the tourism industry a shot in the arm. It bore fruit: With a global promotion and advertising campaign, Visit Malaysia Year '90 brought a record 7 million people to the country.

In fact, Visit Malaysia Year was so successful that tourism authorities decided to stage another one this year. Six places have been identified for special emphasis during Visit Malaysia Year 1994: Kuala Lumpur, the nation's capital; the resort island of Langkawi; Mount Kinabalu in Sabah; the Dutch colonial town of Malacca; and the national parks at Taman Negara and Mulu.

In addition, different types of tourism activities are being singled out, including

singled out, including adventure, ecological, agricultural, sports and educational tourism.

Some of the categories may seem unrelated to the holiday industry - education and agriculture in particular

- but the Malaysians have devised unique ways to bring these activities into the realm of tourism.

"By encouraging people to study here, we get something like a tourist staying here for 365 days a year," says Mr. Sabbaruddin. "The student may not spend like a tourist, but he still has to eat and needs transport, etc. The families of the students will also come here for visits."

Agro-tourism is seen as a natural progression from Malaysia's nature-based tourism products. At the recent PATA Adventure Mart in Lahore, Pakistan, Malaysia's ministry of agriculture extolled the wonders of Malaysia's agricultural parks, plantation tours and similar attractions.

"We feel that there are lots of people who are interested

well on its way to positioning itself as a major golf center. The current total of 150 golf courses is scheduled to be increased to more than 200 by the end of the decade, including six fully lit night courses.

Overall, there are 36 promotions planned for Visit Malaysia Year 1994, including two international events designed to highlight Malaysia's natural beauty.

French-based Objectif Asiatique will move out of Europe for the first time ever, with a Scuba Dive Treasure Hunt off the coast of Terengganu in May. Twenty-five teams (including five Asian squads) will participate in the hunt. Then in September, Sarawak will host a Raid Gauloises non-mechanical adventure event - although details of the

## THE TOURIST PROFILE

To tourists to Malaysia spend about 42 percent on accommodation, 21 percent on shopping, 20 percent on food and beverages, and 7 percent on local transportation.

The top three visitor arrival markets in 1993 were Singapore, Thailand and Japan.

The top three non-Asian visitor arrival markets in 1993 were Britain, Australia and the United States.

China, India, Indonesia, Britain and the United States are the countries with the highest average stay.

in agriculture," Mr. Sabbaruddin explains. "Some people are even prepared to go fishing, or at least go to the fishing villages to enjoy the atmosphere and learn about the life of a fisherman.

"We are also encouraging sports tourism," he continues, waving a list of 26 different sports. "Golf, hockey, basketball, even chess - we are becoming known as the chess center of this part of the world." Malaysia is also

event are being kept top secret.

Domestic tourism is another area that Mr. Sabbaruddin and his staff are emphasizing. Current occupancy rates indicate a 55-65 split between domestic and foreign tourists.

To stimulate domestic tourism, Mr. Sabbaruddin says that Malaysians must overcome the sentiment that "foreign is better" when it comes to holidays.

## BERJAYA GROWS IN TANDEM WITH MALAYSIA

Message from the Group Chief Executive Officer



**BERJAYA**  
Strength in Diversity



In recent years, Malaysia's unprecedented growth resulted from many factors including sound management by our government, the country's good work ethics, readily available workforce and strong investors' confidence.

Berjaya also responded to and benefited from this favourable business climate through expansion, acquisition and new start-ups. We have always adopted the approach of spotting underdeveloped and under-developed businesses that have significant long-term potential.

Our commitment to build expertise and quality through training and enhancing technology has given us a good foundation to respond to new opportunities. This includes overseas expansion through the transfer of managerial expertise.

We will continue to develop our core businesses and respond to government's place and vision for Malaysia.

As we embark on another important phase of growth, we will continue to pursue business alliances through joint ventures and partnerships. I believe we are going to make Malaysia your base to have international ventures; go talk to us and give us an opportunity to work with you.

Sincerely yours,

TAN SRI DATO' VINCENT TAN CHEE YEW

## CONSUMER MARKETING

Today, Singer Malaysia Sdn Bhd is the largest, longest-established distributor and retailer of consumer durables with the widest canvassing network.

The Catalog Shop Sdn Bhd has evolved from a direct mail to one-stop retailing centre that offers a wide range of quality furniture and electrical products.

Unza Group of Companies' operations today encompass manufacturing, marketing, sales and distribution of a comprehensive range of quality, branded toiletries and household items.

Texan (M) Sdn Bhd markets a full range of men's apparel locally, and Cartel Corporation Sdn Bhd, ladies' apparel.

Berjaya Sound Entertainment Sdn Bhd produces karaoke films and songs.

Homevideo Network (M) Sdn Bhd, is the authorised home video distributor for Warner, Walt Disney, Sesame Street and Columbia TriStar.

Cosway (M) Sdn Bhd is involved in the direct selling of a wide range of costume jewellery, cosmetics and health supplements through its 60,000 distributors.

Rapid Computer Centre (S.E.A.) Sdn Bhd develops and markets its own brand of educational computer software.

Berjaya Langkawi Beach Resort, a natural tourist resort sprawls over a 70-acre site on Buru Bay, Langkawi Island.

Internationally, it has two choice properties in the South Pacific, Berjaya Hotel in Suva, Fiji and Berjaya Beach Resort & Casino in Mauritius.

In Kuala Lumpur, exquisite Oriental restaurants, Tsui Hang Village Restaurant, Oriental Pearl, Fortune Courts, Hanatei Japanese Restaurant and Jewel in the Crown, a North Indian cuisine restaurant, were set up.

Inter-Pacific Travel & Tours Sdn Bhd conducts tours, ticketing and foreign exchange through its outlets.

Singer Banquet Showroom

## LEISURE

Bukit Kiara Equestrian & Country Resort is the group's first wholly-owned recreation club with equestrian facilities, Kelab Darul Ehsan, a 70-acre 9-hole golf and recreational club, Staffield Golf & Country Club, a \$40-acre suburb project and Bukit Jali Golf & Country Resort to be an 18-hole golf cum recreational club.

Berjaya Tioman Beach Resort has 207 acres of parkland with a beautiful golf course.

Berjaya Tioman Beach Resort, Tioman Island

Redang Island will be developed into 2 integrated tourist cum holiday resort to be known as Berjaya Redang Country & Golf Resort, and Berjaya Redang Beach Resort.

Berjaya Langkawi Beach Resort, a natural tourist resort sprawls over a 70-acre site on Buru Bay, Langkawi Island.

Internationally, it has two choice properties in the South Pacific, Berjaya Hotel in Suva, Fiji and Berjaya Beach Resort & Casino in Mauritius.

In Kuala Lumpur, exquisite Oriental restaurants, Tsui Hang Village Restaurant, Oriental Pearl, Fortune Courts, Hanatei Japanese Restaurant and Jewel in the Crown, a North Indian cuisine restaurant, were set up.

Inter-Pacific Travel & Tours Sdn Bhd conducts tours, ticketing and foreign exchange through its outlets.

Berjaya Group will be investing up to US\$100 million on various projects in China including the operation of a computerised welfare lottery in Guangzhou, Shenyang, Chengdu and Dalian undertaken by Berjaya Lottery Management (HK) Ltd.

In the Philippines, Berjaya has been selected to operate a computerised lottery system in Luzon.

Berjaya has recently secured Asian-Pacific rights for a new fast food chain known as Kenny Rogers Roasters Restaurant.

In line with the Group's objectives to eventually build up a top class international chain of hotels and casinos, Berjaya acquired 3 hotels - Mahe Beach Hotel, Beau Vallon Bay Hotel and Praslin Beach Hotel in the Republic of Seychelles.

Berjaya Group will be investing up to US\$100 million on various projects in China including the operation of a computerised welfare lottery in Guangzhou, Shenyang, Chengdu and Dalian undertaken by Berjaya Lottery Management (HK) Ltd.

In the Philippines, Berjaya has been selected to operate a computerised lottery system in Luzon.

Berjaya has recently secured Asian-Pacific rights for a new fast food chain known as Kenny Rogers Roasters Restaurant.

In line with the Group's objectives to eventually build up a top class international chain of hotels and casinos, Berjaya acquired 3 hotels - Mahe Beach Hotel, Beau Vallon Bay Hotel and Praslin Beach Hotel in the Republic of Seychelles.

Berjaya Group will be investing up to US\$100 million on various projects in China including the operation of a computerised welfare lottery in Guangzhou, Shenyang, Chengdu and Dalian undertaken by Berjaya Lottery Management (HK) Ltd.

In the Philippines, Berjaya has been selected to operate a computerised lottery system in Luzon.

Berjaya has recently secured Asian-Pacific rights for a new fast food chain known as Kenny Rogers Roasters Restaurant.

In line with the Group's objectives to eventually build up a top class international chain of hotels and casinos, Berjaya acquired 3 hotels - Mahe Beach Hotel, Beau Vallon Bay Hotel and Praslin Beach Hotel in the Republic of Seychelles.

Berjaya Group will be investing up to US\$100 million on various projects in China including the operation of a computerised welfare lottery in Guangzhou, Shenyang, Chengdu and Dalian undertaken by Berjaya Lottery Management (HK) Ltd.

In the Philippines, Berjaya has been selected to operate a computerised lottery system in Luzon.

Berjaya has recently secured Asian-Pacific rights for a new fast food chain known as Kenny Rogers Roasters Restaurant.

In line with the Group's objectives to eventually build up a top class international chain of hotels and casinos, Berjaya acquired 3 hotels - Mahe Beach Hotel, Beau Vallon Bay Hotel and Praslin Beach Hotel in the Republic of Seychelles.

Berjaya Group will be investing up to US\$100 million on various projects in China including the operation of a computerised welfare lottery in Guangzhou, Shenyang, Chengdu and Dalian undertaken by Berjaya Lottery Management (HK) Ltd.

In the Philippines, Berjaya has been selected to operate a computerised lottery system in Luzon.

Berjaya has recently secured Asian-Pacific rights for a new fast food chain known as Kenny Rogers Roasters Restaurant.

In line with the Group's objectives to eventually build up a top class international chain of hotels and casinos, Berjaya acquired 3 hotels - Mahe Beach Hotel, Beau Vallon Bay Hotel and Praslin Beach Hotel in the Republic of Seychelles.

Berjaya Group will be investing up to US\$100 million on various projects in China including the operation of a computerised welfare lottery in Guangzhou, Shenyang, Chengdu and Dalian undertaken by Berjaya Lottery Management (HK) Ltd.

In the Philippines, Berjaya has been selected to operate a computerised lottery system in Luzon.

Berjaya has recently secured Asian-Pacific rights for a new fast food chain known as Kenny Rogers Roasters Restaurant.

In line with the Group's objectives to eventually build up a top class international chain of hotels and casinos, Berjaya acquired 3 hotels - Mahe Beach Hotel, Beau Vallon Bay Hotel and Praslin Beach Hotel in the Republic of Seychelles.

Berjaya Group will be investing up to US\$100 million on various projects in China including the operation of a computerised welfare lottery in Guangzhou, Shenyang, Chengdu and Dalian undertaken by Berjaya Lottery Management (HK) Ltd.

In the Philippines, Berjaya has been selected to operate a computerised lottery system in Luzon.

Berjaya has recently secured Asian-Pacific rights for a new fast food chain known as Kenny Rogers Roasters Restaurant.

In line with the Group's objectives to eventually build up a top class international chain of hotels and casinos, Berjaya acquired 3 hotels - Mahe Beach Hotel, Beau Vallon Bay Hotel and Praslin Beach Hotel in the Republic of Seychelles.

Berjaya Group will be investing up to US\$100 million on various projects in China including the operation of a computerised welfare lottery in Guangzhou, Shenyang, Chengdu and Dalian undertaken by Berjaya Lottery Management (HK) Ltd.

In the Philippines, Berjaya has been selected to operate a computerised lottery system in Luzon.

Berjaya has recently secured Asian-Pacific rights for a new fast food chain known as Kenny Rogers Roasters Restaurant.

In line with the Group's objectives to eventually build up a top class international chain of hotels and casinos, Berjaya acquired 3 hotels - Mahe Beach Hotel, Beau Vallon Bay Hotel and Praslin Beach Hotel in the

# BUSINESS

International Herald Tribune, Tuesday, March 22, 1994

Page 17

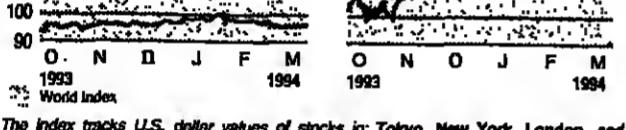
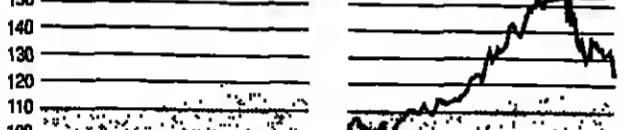
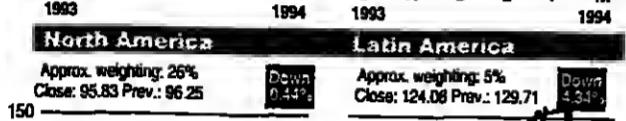
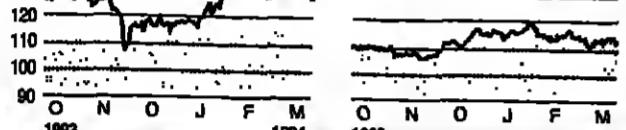
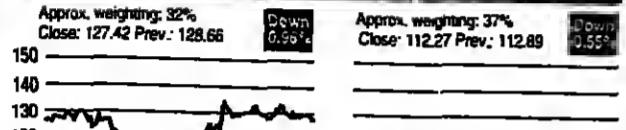
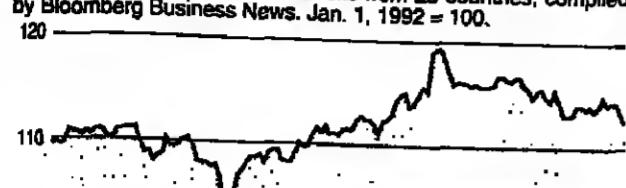
MARKET IN '94

\*\*



## THE TRIB INDEX: 112.38

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The Index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Paris. Germany, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Luxembourg, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the top 10 stocks are tracked.

### Industrial Sectors

	Mon. close	Prev. close	% change		Mon. close	Prev. close	% change
Energy	111.90	112.81	-0.81	Capital Goods	114.33	114.55	-0.19
Utilities	123.76	126.71	-2.31	Raw Materials	121.83	123.11	-1.04
Finance	115.32	116.44	-0.96	Consumer Goods	99.11	99.38	-0.27
Services	118.11	119.77	-1.31	Miscellaneous	126.08	127.98	-1.48

For more information about the Index, a booklet is available free of charge.

Write to Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

© International Herald Tribune

## Tobacco Companies Look East

### Cash-Hungry Governments Are Light on Restrictions

By Barry James  
International Herald Tribune

PARIS — Tobacco Road may have developed some potholes in the West, but it is still paved with gold in the East.

Although the tobacco market is stagnating or shrinking in most industrial countries, cigarette manufacturers are making up by expanding in the rest of the world. Since the fall of Communism, the bulk of their investment has been in Eastern Europe.

Philip Morris Cos. and R.J. Reynolds Tobacco Co. of the United States, BAT Industries PLC of Britain; Reemtsma Cigarettenfabriken GmbH of Germany, and other companies have started more than two dozen joint ventures in the region and committed more than \$1.5 billion in investments since the fall of communism. The Eastern market, which consumes more than 700 billion cigarettes annually, is 40 percent bigger than the U.S. market.

BAT last week became the latest tobacco multinational to announce a jump in profits, thanks in large part to expansion in Eastern Europe.

A spokesman for BAT said majority shareholdings in cigarette factories in Hungary and Ukraine had quickly proved profitable. The company also is eyeing opportunities in the virtually limitless Chinese market, where the annual consumption of 1.7 trillion cigarettes is about a third of the total smoked in the world.

Operations of the tobacco giants in those areas do not run up against the kind of extensive anti-smoking lobbying that occurs in the United States and Western Europe. For example, the U.S. military and the state

of Maryland both recently announced a ban on smoking in all public and work places, and the New York city council is considering doing the same. The federal government is proposing an increase in taxes on cigarettes to help pay for reform of the health care system.

In Eastern Europe, governments are eager for hard currency investments and place less emphasis on the health risks of smoking. Even before the Marlboro Man rode onto Eastern Europe, rates of smoking-related disease were high.

"Lung cancer rates already are off the scale, higher than anywhere else in the world," said Alan Lopez, an epidemiologist at the World Health Organization in Geneva.

The rate of premature deaths directly attributable to tobacco is set to soar, Mr. Lopez said. "Everything is in place for an epidemic. It is going to happen unless there is a dramatic cessation in smoking."

The Tobacco Institute, which represents the U.S. industry from Washington, refused to answer a question about the overseas expansion of the American manufacturers. A spokesman for Philip Morris said the company's expansion in some markets bore no relation with contraction in others. "We have been established abroad for 40 years and we follow our own strategy," the spokesman said.

The Western companies have set up joint ventures with existing companies in several Eastern European countries, giving them control of popular and affordable local brands.

The companies also promote their own brands in advertising aimed at young professionals, implicitly suggesting that smoking Western cigarettes will make them sophisticated, popular with the opposite sex and successful. The introduction of "light," or low-tar and low-nicotine, Western cigarettes has led to a huge increase in smoking among women, according to the health experts.

"Cigarettes are an easy image-building product," said Luk Joossens, director of the European Bureau for Action on Smoking Prevention, based in Brussels.

When health officials curbed some of the more blatant tobacco advertising in the Czech Republic, Mr. Joossens said, a coalition of advertising agencies ran a counter-

attack. "The index closed at 127.42 on Monday, down 5.9 percent on Monday to lead an Asia-wide sell-off. For the fifth straight day, foreign-based mutual funds slashed their positions in the Hong Kong stock market, traders said. The index closed at 126.03 on Monday, down 5.09 percent from Friday. The offshore mutual funds had been a major factor in the Hang Seng's recent rally."

The Western companies have set up joint ventures with existing companies in several Eastern European countries, giving them control of popular and affordable local brands.

The companies also promote their own brands in advertising aimed at young professionals, implicitly suggesting that smoking Western cigarettes will make them sophisticated, popular with the opposite sex and successful. The introduction of "light," or low-tar and low-nicotine, Western cigarettes has led to a huge increase in smoking among women, according to the health experts.

"Cigarettes are an easy image-building product," said Luk Joossens, director of the European Bureau for Action on Smoking Prevention, based in Brussels.

When health officials curbed some of the more blatant tobacco advertising in the Czech Republic, Mr. Joossens said, a coalition of advertising agencies ran a counter-

attack. "The index closed at 127.42 on Monday, down 5.9 percent on Monday to lead an Asia-wide sell-off. For the fifth straight day, foreign-based mutual funds slashed their positions in the Hong Kong stock market, traders said. The index closed at 126.03 on Monday, down 5.09 percent from Friday. The offshore mutual funds had been a major factor in the Hang Seng's recent rally."

The Western companies have set up joint ventures with existing companies in several Eastern European countries, giving them control of popular and affordable local brands.

The companies also promote their own brands in advertising aimed at young professionals, implicitly suggesting that smoking Western cigarettes will make them sophisticated, popular with the opposite sex and successful. The introduction of "light," or low-tar and low-nicotine, Western cigarettes has led to a huge increase in smoking among women, according to the health experts.

"Cigarettes are an easy image-building product," said Luk Joossens, director of the European Bureau for Action on Smoking Prevention, based in Brussels.

When health officials curbed some of the more blatant tobacco advertising in the Czech Republic, Mr. Joossens said, a coalition of advertising agencies ran a counter-

attack. "The index closed at 127.42 on Monday, down 5.9 percent on Monday to lead an Asia-wide sell-off. For the fifth straight day, foreign-based mutual funds slashed their positions in the Hong Kong stock market, traders said. The index closed at 126.03 on Monday, down 5.09 percent from Friday. The offshore mutual funds had been a major factor in the Hang Seng's recent rally."

The Western companies have set up joint ventures with existing companies in several Eastern European countries, giving them control of popular and affordable local brands.

The companies also promote their own brands in advertising aimed at young professionals, implicitly suggesting that smoking Western cigarettes will make them sophisticated, popular with the opposite sex and successful. The introduction of "light," or low-tar and low-nicotine, Western cigarettes has led to a huge increase in smoking among women, according to the health experts.

"Cigarettes are an easy image-building product," said Luk Joossens, director of the European Bureau for Action on Smoking Prevention, based in Brussels.

When health officials curbed some of the more blatant tobacco advertising in the Czech Republic, Mr. Joossens said, a coalition of advertising agencies ran a counter-

attack. "The index closed at 127.42 on Monday, down 5.9 percent on Monday to lead an Asia-wide sell-off. For the fifth straight day, foreign-based mutual funds slashed their positions in the Hong Kong stock market, traders said. The index closed at 126.03 on Monday, down 5.09 percent from Friday. The offshore mutual funds had been a major factor in the Hang Seng's recent rally."

The Western companies have set up joint ventures with existing companies in several Eastern European countries, giving them control of popular and affordable local brands.

The companies also promote their own brands in advertising aimed at young professionals, implicitly suggesting that smoking Western cigarettes will make them sophisticated, popular with the opposite sex and successful. The introduction of "light," or low-tar and low-nicotine, Western cigarettes has led to a huge increase in smoking among women, according to the health experts.

"Cigarettes are an easy image-building product," said Luk Joossens, director of the European Bureau for Action on Smoking Prevention, based in Brussels.

When health officials curbed some of the more blatant tobacco advertising in the Czech Republic, Mr. Joossens said, a coalition of advertising agencies ran a counter-

attack. "The index closed at 127.42 on Monday, down 5.9 percent on Monday to lead an Asia-wide sell-off. For the fifth straight day, foreign-based mutual funds slashed their positions in the Hong Kong stock market, traders said. The index closed at 126.03 on Monday, down 5.09 percent from Friday. The offshore mutual funds had been a major factor in the Hang Seng's recent rally."

The Western companies have set up joint ventures with existing companies in several Eastern European countries, giving them control of popular and affordable local brands.

The companies also promote their own brands in advertising aimed at young professionals, implicitly suggesting that smoking Western cigarettes will make them sophisticated, popular with the opposite sex and successful. The introduction of "light," or low-tar and low-nicotine, Western cigarettes has led to a huge increase in smoking among women, according to the health experts.

"Cigarettes are an easy image-building product," said Luk Joossens, director of the European Bureau for Action on Smoking Prevention, based in Brussels.

When health officials curbed some of the more blatant tobacco advertising in the Czech Republic, Mr. Joossens said, a coalition of advertising agencies ran a counter-

attack. "The index closed at 127.42 on Monday, down 5.9 percent on Monday to lead an Asia-wide sell-off. For the fifth straight day, foreign-based mutual funds slashed their positions in the Hong Kong stock market, traders said. The index closed at 126.03 on Monday, down 5.09 percent from Friday. The offshore mutual funds had been a major factor in the Hang Seng's recent rally."

The Western companies have set up joint ventures with existing companies in several Eastern European countries, giving them control of popular and affordable local brands.

The companies also promote their own brands in advertising aimed at young professionals, implicitly suggesting that smoking Western cigarettes will make them sophisticated, popular with the opposite sex and successful. The introduction of "light," or low-tar and low-nicotine, Western cigarettes has led to a huge increase in smoking among women, according to the health experts.

"Cigarettes are an easy image-building product," said Luk Joossens, director of the European Bureau for Action on Smoking Prevention, based in Brussels.

When health officials curbed some of the more blatant tobacco advertising in the Czech Republic, Mr. Joossens said, a coalition of advertising agencies ran a counter-

attack. "The index closed at 127.42 on Monday, down 5.9 percent on Monday to lead an Asia-wide sell-off. For the fifth straight day, foreign-based mutual funds slashed their positions in the Hong Kong stock market, traders said. The index closed at 126.03 on Monday, down 5.09 percent from Friday. The offshore mutual funds had been a major factor in the Hang Seng's recent rally."

The Western companies have set up joint ventures with existing companies in several Eastern European countries, giving them control of popular and affordable local brands.

The companies also promote their own brands in advertising aimed at young professionals, implicitly suggesting that smoking Western cigarettes will make them sophisticated, popular with the opposite sex and successful. The introduction of "light," or low-tar and low-nicotine, Western cigarettes has led to a huge increase in smoking among women, according to the health experts.

"Cigarettes are an easy image-building product," said Luk Joossens, director of the European Bureau for Action on Smoking Prevention, based in Brussels.

When health officials curbed some of the more blatant tobacco advertising in the Czech Republic, Mr. Joossens said, a coalition of advertising agencies ran a counter-

attack. "The index closed at 127.42 on Monday, down 5.9 percent on Monday to lead an Asia-wide sell-off. For the fifth straight day, foreign-based mutual funds slashed their positions in the Hong Kong stock market, traders said. The index closed at 126.03 on Monday, down 5.09 percent from Friday. The offshore mutual funds had been a major factor in the Hang Seng's recent rally."

The Western companies have set up joint ventures with existing companies in several Eastern European countries, giving them control of popular and affordable local brands.

The companies also promote their own brands in advertising aimed at young professionals, implicitly suggesting that smoking Western cigarettes will make them sophisticated, popular with the opposite sex and successful. The introduction of "light," or low-tar and low-nicotine, Western cigarettes has led to a huge increase in smoking among women, according to the health experts.

"Cigarettes are an easy image-building product," said Luk Joossens, director of the European Bureau for Action on Smoking Prevention, based in Brussels.

When health officials curbed some of the more blatant tobacco advertising in the Czech Republic, Mr. Joossens said, a coalition of advertising agencies ran a counter-

attack. "The index closed at 127.42 on Monday, down 5.9 percent

## MARKET DIARY

## Rate Expectations Burden Wall Street

Compiled by Our Staff From Dispatches  
NEW YORK — Jitters about whether the Federal Reserve Board will raise interest rates this week sent stock and Treasury bond prices lower Monday.

The Dow Jones industrial average fell 30.80 points, to 3,648.5. Declining issues outnumbered ad-

## U.S. Stocks

vancers by a 3-to-1 ratio on the New York Stock Exchange in moderate trading.

The benchmark 30-year Treasury bond fell 16/32 point in late trading, to 91 10/32, with the yield rising to 6.95 percent from 6.92 percent Friday.

Market focus is on the Federal Open Market Committee's meeting on Tuesday, which is widely expected to serve as a forum for the Federal Reserve Board to raise interest rates. The Fed nudged rates higher on Feb. 4 for the first time in five years, causing a 96-point drop in the stock market.

"There's a lot of nervousness ahead of the meeting," said James Melcher, president of Balastra Capital. "And when investors are waiting and nervous the tendency is to sell."

Stocks also set back after Friday's late surge linked to the quar-

terly expiration of stock indexes, options and futures. Stocks often reverse course on the day after an expiration, analysts said.

Telefonos de Mexico's American depositary receipts were the most actively traded issue on the New York Stock Exchange, falling 1/4 to 58¢ in step with recent losses on the Mexican stock market.

Baltimore Bancorp was the second-most-actively traded stock, rising 1/8 to 19¢ after news that First Fidelity would buy the bank for \$20.75 a share. First Fidelity slipped 1/4 to 45¢.

Among the active issues were three technology companies with National Semiconductor rising 3/8 to 24¢ and Advanced Micro Devices gaining 1/8 to 30¢. IBM jumped 1/8 to 58¢, drawing interest after introducing a portable computer.

Auto stocks were also active, with Chrysler losing 1/8 to 57¢, Ford slipping 1/8 to 61¢ and General Motors falling 1/8 to 59¢. Ford received two bids for its unprofitable First Nationwide Financial Corp. Duff & Phelps raised credit ratings on about \$8 billion of Chrysler debt.

Cadence Design Systems gained 1/4 to 15¢ after a Goldman, Sachs analyst raised earnings estimates and a rating on the stock.

(A.P. Bloomberg, Knight-Ridder)

Via Associated Press

March 21

## The Dow

Daily closings of the Dow Jones industrial average

4000

3800

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000

800

600

400

200

0

SOND J F M

1994

IHT

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000

800

600

400

200

0

SOND J F M

1994

IHT

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000

800

600

400

200

0

SOND J F M

1994

IHT

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000

800

600

400

200

0

SOND J F M

1994

IHT

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000

800

600

400

200

0

SOND J F M

1994

IHT

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000

800

600

400

200

0

SOND J F M

1994

IHT

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000

800

600

400

200

0

SOND J F M

1994

IHT

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000

800

600

400

200

0

SOND J F M

1994

IHT

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000



# NASDAQ

**Monday's Prices**  
NASDAQ prices as of 4 p.m. New York time.  
This list compiled by the AP, consists of the 1,000  
most traded securities in terms of dollar value. It is  
updated twice a year.

**AMEX**  
American Express

### **Monday's Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

**Sales figures are unofficial. Yearly highs and lows reflect the previous 32 weeks plus the current week, but not the latest trading day. Where a cash or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise indicated, rates of dividends are of annual disbursements based on the latest declaration.**

**a—dividend also extra (s).**  
**b—annual rate of dividend plus stock dividend.**  
**c—liquidating dividend.**  
**old—called.**

**l—new yearly low.**  
**a—dividend declared or paid in preceding 12 months.**  
**a—dividend in Canadian funds, subject to 15% non-resident tax.**

**1—dividend declared after split-up or stock dividend.**  
**1—dividend paid this year, omitted, deferred, or no action taken on latest dividend meeting.**  
**1—dividend declared or paid this year, an accumulation issue with dividends in arrears.**  
**n—new issue in the last 52 weeks. The high-low range begins with the start of trading.**  
**nd—next day delivery.**

**P/E—price-earnings ratio.**  
**pl—paid declared or paid in preceding 12 months, plus stock dividend.**  
**3—stock split. Dividend begins with date of split.**  
**s/s—sales.**

**1—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.**  
**U—new yearly high.**  
**v—trading halted.**

**w—in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.**  
**wd—when distributed.**  
**wi—when issued.**  
**ww—with warrants.**  
**s—ex-dividend or ex-rights.**  
**xdts—ex-distribution.**  
**xw—without warrants.**  
**v—ex-dividend and sales in full.**  
**nd—yield.**  
**—sales in full.**

# NEC Hunts for a Cheaper Way of Doing Business

By Paul Blustein  
*Washington Post Service*

TOKYO — Four smiling, bowing women in red uniforms greet visitors at a marble reception desk in the lobby of NEC Corp.'s ultramodern headquarters, the 43-story Super Tower, built in 1990 when Japan's economic power seemed boundless. In the so-called executive zone on the upper floors, visitors are ushered into meeting rooms furnished with gray leather couches and low tables, commanding a view of Tokyo harbor and the environs.

"That's Mount Fuji over there," said a company spokesman, gesturing at the famous volcano 60 miles (100 kilometers) away. "Well, actually, it's enveloped in clouds right now — sort of like the Japanese economy, I suppose."

The view from NEC's executive zone is cloudy indeed. The company anticipated that this year would bring an end to the recession that has cost it hundreds of millions of dollars in losses. But now, amid U.S.-Japanese trade tensions, its woes are

multipling because of the surge in the value of the yen, which increases the prices of made-in-Japan products such as NEC's personal computers and telephone systems in relation to those produced in other countries.

The yen's rise "has had an incredible impact on the products we export, and it has smothered the government's attempts to rejuvenate the economy," said Yoshiaki Suzuki, an NEC senior vice president. "We have to make more products where labor is cheaper, especially Asian countries. But we have lifetime employment in Japan. So we face very difficult problems."

Already, the company has shifted production of relatively unsophisticated items such as color televisions to such lower-wage countries as Thailand and Malaysia. NEC executives are considering overseas manufacturing of high-tech products, such as liquid crystal display screens, heretofore made only in Japan. Some of that work could go to the United States. But the task

is complicated by Japan's traditional aversion of layoffs and reluctance to cut relations with suppliers.

The troubles at NEC, Japan's eighth-largest manufacturing company, with more than \$30 billion in annual sales, mirror those of the nation's industry at large.

Japanese manufacturers still make things better than virtually anyone else. But the strong value of the yen has meant that many of them are either exporting or moving to other low-cost Asian countries. And NEC is in talks with a Chinese manufacturer about a plan to make computer workstations in Shanghai.

NEC is renowned for superb product quality and engineering. Its Kagoshima plant in southern Japan, for example, has shifted the industry with its top-of-the-line color LCD screens used in computers and wall-banging televisions.

Yet analysts warn that to improve competitiveness and fully regain its financial health, the company will have to go much further than it has in reducing its work force and switching its purchases of com-

ponents away from captive suppliers in high-cost Japan.

"NEC has cut personnel, and it has to change its procurement system, from in-house to more-open procurement," said Shigeru Yoshinaka, an analyst at Barclays de Zoete Wedd Securities (Japan) Ltd.

All in good time, retorted Mr. Suzuki, who oversees NEC's restructuring effort. The company, he said, has not announced a target for work force reduction as other Japanese companies have, because of its sensitivity to lifetime employment, but it is using cost-cutting methods similar to theirs. Recruiting, for example, has been reduced from a 1990 peak of 4,000 new employees a year to around 1,200.

Mr. Suzuki said NEC was shifting to cheaper suppliers of products such as computer "motherboards" in Taiwan, China and other low-cost countries.

NEC is better positioned than many Japanese companies to withstand the affliction of the strong yen. It has reduced the percentage of Japanese production that

it exports from about 35 percent in the mid-1980s to less than 20 percent last year.

NEC has built major plants to make computer chips in California, Scotland, Ireland and Singapore, expanding production significantly in recent months to counter competition from South Korea's Samsung Co. and other low-cost Asian chip producers. And NEC is in talks with a Chinese manufacturer about a plan to make computer workstations in Shanghai.

Perhaps the biggest impact of the high yen can be seen in the personal-computer business, which used to make a major contribution to NEC's bottom line but now provides a much smaller stream of profits.

The company gained control over more than half the Japanese PC market during the 1980s, using a proprietary technology, which prevented other companies' software from working on NEC machines. But during the 1990s Microsoft Corp.'s software proved a powerful system for NEC's rivals to rally around.

## CITIC Pacific Plans To Add More Assets

Compiled by Our Staff From Dispatches  
HONG KONG — CITIC Pacific Ltd. said Monday it would expand the acquisition program that helped boost its oct income by 82 percent in 1993.

The company, which has investments in the aviation, telecommunications, motor vehicle, financial services, power and real estate industries, said its net profit last year rose to 1.89 billion Hong Kong dollars (\$245 million), or 1.08 dollars a share, from 1.04 billion dollars, or 87.4 cents a share, in 1992.

CITIC Pacific is owned about 42 percent by CITIC Hong Kong, the local arm of the state-controlled China International Trust & Investment Corp.

The company plans a final dividend of 28 cents a share, compared with 22 cents a year earlier, raising its payout for the year to 38 cents a share from 30.2 cents.

Sales rose 38 percent, to 11.54 billion dollars from \$8.9 billion.

Much of the increase was due to the company's purchase of a 12 percent stake in Hong Kong Telecommunications Ltd., the territory's monopoly supplier of fixed-link phone services.

Chairman Larry Yung said the company expected an "excellent

year" in 1994, with increased earnings and dividends. "Your company has now become a diversified group with interests in various important sectors of Hong Kong and the mainland," he said. "This trend will continue and the company intends to seek further expansion opportunities with a view to increase asset and earnings base."

He also indirectly expressed confidence that Hong Kong's controversial new airport, the cost of which China has criticized, would be completed. Mr. Yung noted that CITIC Pacific had purchased a 50 percent stake in the Discovery Bay housing development on Lantau Island this month. The airport is near Discovery Bay, and a container port also is expected to be built on Lantau.

The acquisition will provide your company with a strategic foothold to participate in the future development of Lantau Island," Mr. Yung said.

CITIC has stakes in some of Hong Kong's key companies. It controls 12.5 percent of Cathay Pacific Airways, 46 percent of the regional airline Dragonair and 20 percent of Chase Manhattan Corp.'s Hong Kong-based credit card concern, Manhattan Card Co. (Bloomberg Knight-Ridder, Reuters).

## Hanoi — Market by '95?

### World Bank Aide Says Its Time Is Near

Bloomberg Business News

HANOI — Vietnam, a Communist state that only recently has been able to trade with the West, could have a securities market by next year, according to a World Bank representative.

"We believe it is possible to have a market with limited operations for debt instruments by September 1995," E. Gayle McGuigan of the Washington-based International Finance Corp. said.

The finance agency, part of the World Bank, received a mandate to help the State Bank of Vietnam, the country's central bank, create a securities market. International Finance Corp. has a portfolio of about \$10 billion and is the largest provider of financing to developing countries.

Immediate plans for Vietnam's exchanges are modest and the hurdles many, Mr. McGuigan said. A securities market would at first provide a way of raising money through debt instruments such as negotiable certificates of deposit and eventually company bonds guaranteed by banks, with slowly lengthening maturities.

The finance agency estimated it would cost more than \$1 million to actually form a market, of which \$400,000 has been raised from a variety of aid organizations. The money will primarily be for training the professionals who will run the market.

"We have tried to provide documents that allow the Vietnamese to understand all the issues and complexities of establishing a securities market," Mr. McGuigan said. He said his agency would try to help Hanoi draft legislation that could be easily understood by traders and investors.

"First comes the development of a conceptual legal framework and the legal institution as such as the stock exchange itself," Mr. McGuigan said, "then educating the people in the basics of securities markets and training the professionals to run the system."

Once a stock market is developed, much of the investment capital could come from overseas. Analysts have said that as much as 30 percent of the country's equity may be available to foreigners.

There is already about \$164 million sitting in four investment funds, two of which are listed on the Irish Stock Exchange.

Vietnam, which has a population of 71 million, desperately needs funds to get its economy running. Most private companies are unable to borrow from the state-run banks, which lend mostly to the state-run companies.

Architects of the plan also hope creating a stock market will help reform the mostly unprofitable state enterprises.

The securities market will be a catalyst for the privatization of many state-owned companies," Mr. McGuigan said. Enterprises such as Vietnam Air, Hanoi Tourism and Petro Vietnam will provide the core of companies needed for a market, he said.

Eventually International Finance Corp. hopes the general public will also get involved. Analysts estimate there may be considerable hidden wealth in the country, as only 10 percent of the population uses formal banking systems, according to Vietnam's Central Institute for Economic Management. The institute estimates that there may be \$2 billion available for investment.

## Malaysia Says Japan Balks in Car Project

Agence France-Presse

KUALA LUMPUR — Prime Minister Mahathir Mohamad asserted Monday that Mitsubishi Motors Corp. was too slow in transferring technology for Malaysia's national car and said he might turn elsewhere for help.

"They have this Japanese philosophy of doing things step by step and to us this is too slow," Mr. Mahathir said.

Perusahaan Otomobil Nasional Bhd., the nine-year-old venture that makes Malaysia's Proton car, is 17 percent owned by Mitsubishi Motors and Mitsubishi Corp.

Heavy Industries Corp. of Malaysia is the major shareholder in the publicly traded company.

Mr. Mahathir said Mitsubishi was reluctant to allow Malaysians to produce the engine and transmission parts by themselves and said Kuala Lumpur could turn to European, American and other Japanese companies if Mitsubishi continued to drag its feet.

The Proton commands 73 percent share of the passenger-car market in Malaysia. About 20 percent of the 150,000 Proton cars produced yearly are exported to Britain.

## Very briefly:

• Australia could experience one of the strongest economic growth rates outside Asia this year, with annual expansion reaching 5 percent and leading to an interest-rate rise in late 1994, Westpac Banking Corp. said.

• Bank of China Group will issue Hong Kong dollar banknotes in May, more than three years before the colony's scheduled return to Chinese sovereignty, China News Service said, quoting Xu Wenchuan, assistant general manager of the bank's Hong Kong branch.

• Playmates Toys Holdings Ltd. said 1993 profit crept upward to 349.8 million Hong Kong dollars (\$45 million) from \$43.5 million dollars in 1992. The maker of *Teenage Mutant Ninja Turtle* toys said 1992 profit had been restored to reflect the split of its real estate unit from its toy-manufacturing operations.

• China and Israel agreed to set up a \$13 million joint venture to repair aircraft, the China Daily said. The venture, Beijing TIRIA Aircraft Components Services, is due to start operating in October, the official newspaper said.

## Seeking Cash, TI Signs Taiwan Pact

Bloomberg Business News

TAIPEI — An alliance between Texas Instruments Inc. and the Taiwan government may help the U.S. semiconductor maker fund a \$400 million expansion at a joint-venture memory chip plant, an official with the venture said Monday.

Jerry Jenkins, chairman of Texas Instruments, signed a letter of intent in Taipei on Monday to form an alliance with the Ministry of Economic Affairs. The agreement may indirectly help Texas Instruments persuade the state-run Chiao Tung Bank to invest in the venture, called TI-Acer Inc., said R. T. Lo, a vice president of the venture.

"That's the indirect impact of the agreement," he said.

TI-Acer, which is 58 percent owned by the Taiwan personal computer maker Acer Inc. and 26 percent by Texas Instruments, wants to finalize plans before July to raise funds for the expansion.

## Hongkong Land Fails to Capitalize

Compiled by Our Staff From Dispatches

HONG KONG — Hongkong Land Holdings Ltd., which owns most of the colony's top office and retail buildings, reported Monday a slight increase in net profit for 1993 despite a local property boom.

Net profit for 1993 edged up to \$306.5 million from \$305 million a year earlier, with a \$21.2 million loss from its 25 percent stake in British-based Trafalgar House

### More Satellite TV for Asia

Agence France-Presse

HONG KONG — China Entertainment Television Broadcast Ltd., a Hong Kong-based television broadcaster, said Monday it would launch 24-hour Chinese-language satellite programming in Asia. Hongkong Telecom Ltd. will provide the link with APSTAR-1, China's first wholly owned commercial satellite, which is expected to be launched in midyear by APT Satellite Co.

PLC denting earnings growth. Trafalgar, the construction, engineering, hotel and shipping company, took a large writedown against assets late last year.

Hongkong Land, the real estate arm of Jardine Matheson Holdings Ltd., also made a one-time profit of \$213.2 million on the sale of a new office tower in the central business district. Rental income actually fell slightly because of the sale of the building, edging down to \$385.1 million from \$390.2 in 1992, said Simon Keswick, the chairman of Hongkong Land.

But Mr. Keswick said he expected rental income to rise in 1994 because of increases in renewed leases and more expensive new leases. The company's property was 99.6 percent occupied at the end of 1993 and rents have been pushed up sharply because many businesses are positioning themselves in Hong Kong to establish links with China.

"The Hong Kong commercial property market remains strong,

### CURRENCY AND CAPITAL MARKET SERVICES

CURRENCY MANAGEMENT CORPORATION PLC

Windsor House, 77 London Wall, London EC2M 5ND

Tel: 071-582 9745 Fax: 071-582 9487

FOREIGN EXCHANGE & GOLD

24 Hour London Dealing Desk

Competitive Rates & Daily Fax Sheet

Call for further information & brochure

### Attention Futures Traders

US \$29 OR LESS ROUND TURN

• PLACE ORDERS TOLL FREE WORLDWIDE • \$29 MINIMUM ACCOUNT

• DISCOUNT FOR VOLUME TRADING • FREE QUOTE SERVICE OFFER

• FREE MONEY MOVES!! For details on how to Get Money Back For Trade and more on please call 1-800-333-2888 or write, phone or fax to:

FINANCIAL TRADING GROUP LTD., ELLIS HOUSE, 23 St. Stephen's Green, Dublin 2, Ireland Tel: +353 1 866656 Fax: +353 1 866123

### Duff Forecasts and Market Myths for 1994

The US dollar will continue to decline and continue to weaken. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 1994 the US dollar will be weaker. You'd be

surprised to learn that in 199

# SPORTS

## Grand Jury Indicts 3 In Attack on Kerrigan

Compiled by Our Staff From Dispatches

PORTLAND, Oregon — The three men who have admitted carrying out the attack on the figure skater Nancy Kerrigan were indicted Monday on racketeering and other charges by a grand jury that has been investigating the case for more than two months.

The indictment contends that Tonya Harding and her former husband, Jeff Gillooly, who have pleaded guilty in plea bargains, also were involved in the plot to injure Kerrigan and knock her out of the U.S. figure skating championships in January.

Shawn Eckardt, 26, Harding's former bodyguard, and Eckardt's associates Shana Stant, 22, and Derrick Smith, 29, were indicted on Oregon state charges including racketeering, assault and conspiracy to commit assault.

Eckardt faced additional charges of conspiracy to hinder prosecution and hindering prosecution. Smith also was charged with conspiracy to hinder prosecution.

One of the charges stems from at least one secretly taped meeting involving those who participated in the conspiracy.

Norm Frink, Multnomah County chief deputy district attorney, indicated that the three may be able to reach a plea agreement to avoid a trial.

The defense and the state will

be talking and we'll proceed from there," he said.

Among the charges in the indictment is that Harding and Gillooly, who cannot face further prosecution because of their plea bargains, agreed with the three defendants on Dec. 28 "to unlawfully, intentionally and knowingly cause physical injury to Nancy Kerrigan."

Harding pleaded guilty last week to conspiracy to hinder prosecution. Gillooly pleaded guilty Feb. 1 to one count of racketeering.

Harding was placed on three years' probation, resigned from the U.S. Figure Skating Association, was fined \$100,000, will contribute \$50,000 to the Special Olympics and agreed to pay \$10,000 in prosecution costs. Gillooly is to be sentenced eighth.

(AP, Reuters)

### ■ Harding in Paris Event?

Harding may make her debut on the professional skating circuit at the world championships in Paris in May, according to the event's organizer, Agence France-Presse reported on Monday.

The event official, Philippe Angel, said that Harding's agent had contacted him to discuss her participation in the championships May 17-18. Angel said he would consider the matter.

Stant is Smith's nephew and

shares his uncle's interest in paramilitary activity. Stant went to Massachusetts to carry out the attack, but when that plan fell through he followed Kerrigan to Detroit, where she was preparing for the national championships.

On Jan. 6, Stant struck Kerrigan above the right knee with a metal police baton, then escaped the arena by butting his head through the plexiglass window of a locked door. With Kerrigan out of the competition because of injury, Harding won the U.S. championship.

Smith was the intermediary who funneled money from Gillooly and Eckardt to Stant and drove the getaway car.

Kerrigan recovered from the injury and went on to win the silver medal in the Winter Olympics last month in Lillehammer, Norway. Harding finished eighth.



ONE MORE FOR THE GREAT ONE — Los Angeles's triumphant Wayne Gretzky, who tied one of hockey's mightiest records, scoring twice in a 6-6 tie with San Jose to equal Gordie Howe's National Hockey League mark of 801 career goals. Gretzky is to play again Wednesday.

## New Unrest Feared As Vandals Protest Berlin Soccer Game

Reuters

BERLIN — Berlin soccer officials, whose headquarters were attacked on Monday, said they feared that a battle between hooligans from four European countries could mar a controversial Germany-England friendly match next month.

Militant opponents of the match, which is to be held on April 20, the anniversary of Hitler's birthday, smashed windows and threw sticks bombs into the Berlin soccer federation's office during the night.

The federation's chief, Reiner Gentz, said the attack had probably come from leftist groups campaigning against the match. But he said he feared a battle between hooligans from England, Germany, France and the Netherlands at the game.

"The damage is in thousands of marks," he said. "We have to assume that the attack came from left-wing groups but the police are looking into it."

Security officials have indicated to us that hooligans from around Europe — England, France and the Dutch — are planning to meet in Berlin and take on the right-wing extremists around the game," he added.

The match was originally moved to Berlin from Hamburg because of fears of clashes between rightist and leftist extremists.

But the choice of Berlin's Olympic stadium, the venue of the 1936 Olympic Games, which were used by Hitler as a showcase for his Nazis, was controversial and has been opposed by leftist groups.

A slogan painted on a wall at the federation, which is known by the initials DFB, read: "No game on April 20. We are against the DFB and Nazis."

Gertz said leftist groups planned a demonstration against the match in Berlin on April 9.

But he said there was no question of the game being cancelled or the date being changed.

"We are going on with it. We are planning the necessary security measures," he said. "Switching the date would not change anything and would be a climb down for democracy. The right-wingers would come away."

Federation officials were not available for comment but said in the past that they were determined that the match go ahead as part of the world champion preparations for the World Cup this summer in the United States.

Berlin's militant leftist groups are well-organized and mounted an aggressive campaign against the city's recent failed bid for the 2000 Olympics. They say the friendly match would provide a platform for fascism.

## SIDELINES

### Chisox Demote Jordan to Minors

SARASOTA, Florida (AP) — Michael Jordan was reassigned to the Chicago White Sox minor-league camp on Monday and was expected to start in right field for Class A Prince William.

But Jordan was not assigned to the Class A team; he will work out with the Double A Birmingham team. The White Sox general manager, Ron Schuerer, said Jordan could play for Triple A Nashville on Wednesday, and may switch each day. Jordan, 31, the three-time National Basketball Association MVP, was 3-for-20 in 13 spring games with four walks, two RBIs and a sacrifice fly.

"I've always truly loved the game of baseball," Jordan said of the demotion. "I guess in basketball, I had certain expectations that I had to live up to. In baseball, I didn't know what expectations to set for myself except to enjoy the game."

### Ex-Bordeaux Owner Gets Jail Term

BORDEAUX (AP) — Claude Bez, former owner of the Bordeaux soccer team, was sentenced Monday to one year in jail and fined 2 million francs (\$400,000) for fraud.

Bez, whose team dominated the French league for much of the 1980s, also was ordered to pay 2.5 million francs in damages and interest to the governing council of Gironde, the district surrounding Bordeaux. Bez was accused of fraudulently overbilling local authorities by more than 10 million francs for the 1987 renovation of facilities at his team's training center outside Bordeaux. Defense lawyers indicated they had not yet decided whether to appeal.

### For the Record

Michael Bent, who suffered brain injuries in a heavyweight title fight on Saturday, was released from a London hospital Monday and an associate said he was "feeling fine."

(AP)

Martin Brundle of Britain was confirmed on Monday as the McLaren Formula One teammate to Finland's Mika Hakkinen for the Brazilian Grand Prix in São Paulo on Sunday. Brundle, 34, was added to the team along with Philippe Alliot of France.

(Reuters)

Loren Roberts, capitalizing on faltering stretch runs by Fuzzy Zoeller and Vijay Singh, shot a 5-under-par 67 to win the Nestle Invitational, his first victory on the U.S. PGA Tour, by a stroke with a 13-under 275 total in Orlando, Florida, on Sunday.

The left-hander Frank Tanana, 40, was released Sunday by the California Angels, the same major-league baseball team with which he started 20 years ago as a rookie.

(AP)

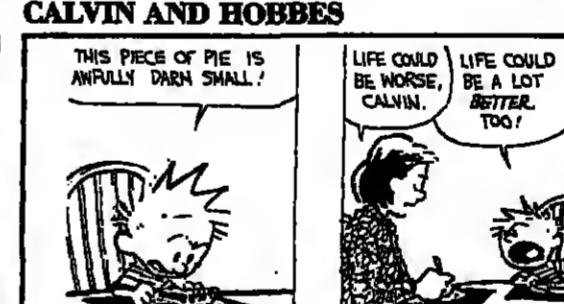
### DENNIS THE MENACE



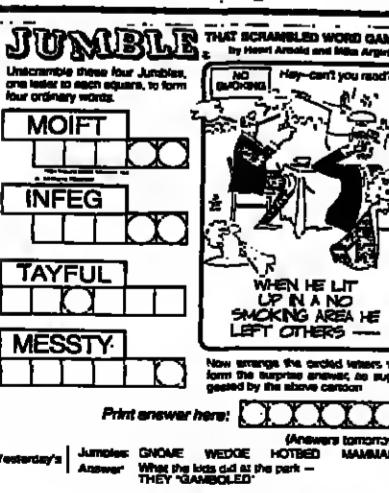
### PEANUTS



### CALVIN AND HOBBES



### JUMBLE



### BLONDIE



### WIZARD OF ID



### MOFT



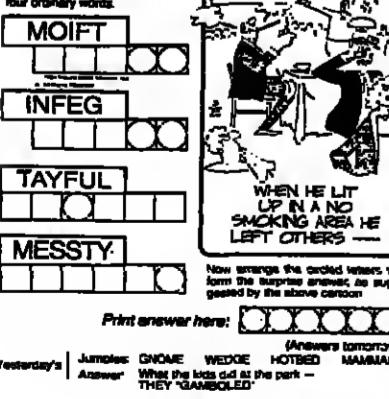
### INFEG



### REX MORGAN



### TAYFUL



### MESSY



### DOONESBURY



### To our readers in Holland

It's never been easier to subscribe and save. Just call toll-free 06 022 558.

Print answer here: [www.dispatches.com](http://www.dispatches.com)

Answers tomorrow: [www.dispatches.com](http://www.dispatches.com)

Yesterday's Answer: CHOCOLATE WEDGES HOTBED MAMMAL

What the kids did at the park: THEY GAMBOLED

### JOHNSON, CHOCOLATE WEDGES, HOTBED, MAMMAL

It's never been easier to subscribe and save. Just call toll-free 06 022 558.

Print answer here: [www.dispatches.com](http://www.dispatches.com)

Answers tomorrow: [www.dispatches.com](http://www.dispatches.com)

Yesterday's Answer: CHOCOLATE WEDGES HOTBED MAMMAL

What the kids did at the park: THEY GAMBOLED

### JOHNSON, CHOCOLATE WEDGES, HOTBED, MAMMAL

It's never been easier to subscribe and save. Just call toll-free 06 022 558.

Print answer here: [www.dispatches.com](http://www.dispatches.com)

Answers tomorrow: [www.dispatches.com](http://www.dispatches.com)

Yesterday's Answer: CHOCOLATE WEDGES HOTBED MAMMAL

What the kids did at the park: THEY GAMBOLED

### JOHNSON, CHOCOLATE WEDGES, HOTBED, MAMMAL

It's never been easier to subscribe and save. Just call toll-free 06 022 558.

Print answer here: [www.dispatches.com](http://www.dispatches.com)

Answers tomorrow: [www.dispatches.com](http://www.dispatches.com)

Yesterday's Answer: CHOCOLATE WEDGES HOTBED MAMMAL

What the kids did at the park: THEY GAMBOLED

### JOHNSON, CHOCOLATE WEDGES, HOTBED, MAMMAL

It's never been easier to subscribe and save. Just call toll-free 06 022 558.

Print answer here: [www.dispatches.com](http://www.dispatches.com)

Answers tomorrow: [www.dispatches.com](http://www.dispatches.com)

Yesterday's Answer: CHOCOLATE WEDGES HOTBED MAMMAL

What the kids did at the park: THEY GAMBOLED

### JOHNSON, CHOCOLATE WEDGES, HOTBED, MAMMAL

It's never been easier to subscribe and save. Just call toll-free 06 022 558.

Print answer here: [www.dispatches.com](http://www.dispatches.com)

Answers tomorrow: [www.dispatches.com](http://www.dispatches.com)

Yesterday's Answer: CHOCOLATE WEDGES HOTBED MAMMAL

What the kids did at the park: THEY GAMBOLED

### JOHNSON, CHOCOLATE WEDGES, HOTBED, MAMMAL

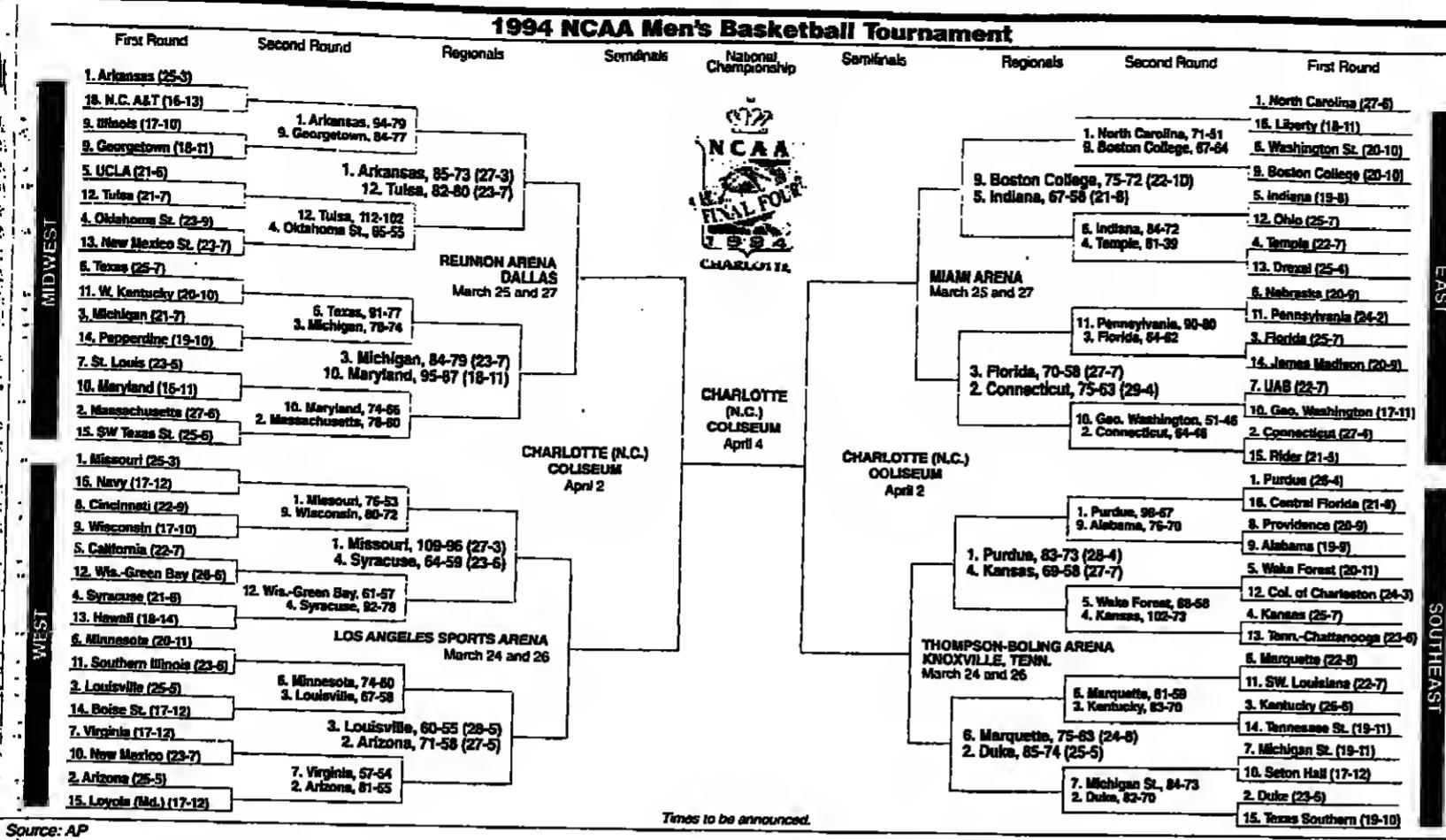
</div

rest Feared  
Jails Protest  
Soccer Game

# SPORTS

## Arkansas Rallies Past Georgetown, Duke Stops Michigan St.

### Louisville Finishes Off Minnesota



Source: AP

### The Making of BC's Legend Is the Unmaking of Another

By Tony Kornheiser

Washington Post Service

WASHINGTON — You'll remember that Boston College had a shot at the No. 1 team in the nation back in November, too. That was football, of course. And the No. 1 team was Notre Dame, as legendary a name as there is in college football. BC won that game — won it close and won it late. Stunned the whole country.

As you might imagine, BC has a tape of that game. Sunday morning it was shown to another BC team that was preparing to play the No. 1 team in the nation — in this case, North Carolina, as

legendary a name as there is in college basketball. Showing the tape was Larry Grier's idea. He's one of the BC managers, and he cleared it with Jim O'Brien, the coach. About an hour before the team was to board a bus for the arena, O'Brien played the football highlight tape for them. Couldn't hurt, right?

"They watched in total silence," O'Brien said. "The only thing I could hear in the room was them breathing. I knew it was getting to them emotionally, but I didn't tell you how much."

A few hours later, the BC basketball team won the game — won it close and won it late. Stunned the whole country. Who holds Donald Williams to 1-for-2? Who starts out hitting 3s and ends up pounding it inside (BC's center, Billy Curley, had 10 of BC's last 11 points) against Eric Montross, Rasheed Wallace and Kevin Salvadori? Who gives El Deane the bum's rush in the round of 32? A ninth seed? Puh-lease. You'll remember that Tom Coughlin parlayed his victory into a job with the NFL Jacksonville Jaguars.

Laughing, O'Brien cut off the obvious question at his knees. "I'm just happy I have a job at BC, believe me," he said.

Three years ago O'Brien almost didn't have that job. That was when the core of this team — Curley, Gerrod Abram, Howard Easley and Malcolm Hucky — were freshmen. They were 1-15 in the Big East. You could hear people muttering for O'Brien's head all the way to Brooklyn. It was a terrible year for O'Brien. His wife, Christine, died of cancer, leaving behind Jim and their two teenage daughters. As cheerful a man as O'Brien normally is, there were no smiles that year.

Fortunately, as it turns out, he stayed at BC, his alma mater, and steadily built the team around those

four. They went to the NIT in their sophomore and junior years, finally making the NCAA this year after a 20-victory season — and even that wasn't enough for some people, because just last week, after BC lost to Georgetown by 23 in the opening round of the Big East tournament, there was talk that O'Brien was once again on shaky ground.

Curley, Abram, Easley and Hucky scored 61 of BC's 75 points in the stunner of the tournament so far. To put this victory in perspective: Carolina was not only the top seed and defending champion, Carolina hadn't been out of the tournament before the Sweet 16 since 1980! Nobody beats Carolina this early. El Deane might start smoking again.

"I cannot even put into words how happy I am for these players," O'Brien said. "To have started out the way they did, to have come from so far back, from nowhere, really, and to have this happen at the very end of their careers, to have this as their legacy."

The BC players were grousing good-naturedly that nobody had picked them to win; everybody was speculating on who Carolina would beat next — Indiana or Temple? But O'Brien conceded that if he were a sportswriter, he wouldn't have picked BC to beat Carolina either. "It's not so much us, it's Carolina," he said reverently.

Now it's out of the frying pan and into the fire. What kind of reward is it to beat El Deane only to draw Bobby Knight?

We can argue Knight's disposition until Doomsday — and by then, believe me, I'll be totally in his pocket — but we can't argue his basketball values: The man teaches impeccable basketball. On offense, the ball follows the screens and moves to the open shooter. On defense, every player sacrifices himself to help his fellows. The only "I" in Indiana is on the uniform.

But his is a hurting team now. Damon Bailey cannot practice. His ribs are so sore they hurt too much to shoot. Pat Graham has broken his left foot twice in the past two years, and though X-rays say it is not broken yet, it hurts him too much to practice. Brian Evans is playing with a dislocated right shoulder. Sunday, they lost their top reserve guard, Sherron Wilkerson, to a broken leg. This team is being held together with tape and gristle.

And so the Hoosiers will limp toward Miami to meet BC, grateful for the five days of rest. "You've just got to throw the pain away when it's time to play," Graham said. "We're all here out of love for the game. Coach Knight's the same as we are. I don't think anyone could make us not play, or him not coach."

Fortunately, as it turns out, he stayed at BC, his alma mater, and steadily built the team around those



Georgetown's Robert Churchwell grabbed Arkansas's Clint McDaniels, prompting a first-half brawl.

### Parish and Slumping Celtics Fall Flat Against Surging Hawks

The Associated Press

Although he was analyzing the latest embarrassment of the Celtics, the words of Robert Parish described Boston's lost season.

"It was a fairly small effort we were assured of their first losing record in 15 seasons.

Parish, a fixture through the glorious reign of Larry Bird, is at the

bounds and a career-best 12 assists. Kendall Gill, booted by from Horace Grant and overcame poor early shooting to maintain a record against Minnesota.

The Bulls — winning their fifth straight game while increasing their record against Minnesota to 10-0 since the Timberwolves entered the NBA — made just two of their first nine shots to fall behind 14-8.

Nuggets 103, Bulls 99: Rookie Vin Baker's slum dunk with 12 seconds remaining completed a late rally, and Milwaukee snapped a six-game losing streak.

Perhaps the most appropriate example of how bad the team has become after the retirements of Bird and Kevin McHale is that the Celtics have lost nine of their last 10 games at Boston Garden. They were virtually unbeatable at home throughout the 1980s.

SuperSonics 124, Hornets 115: Gary Payton scored a career-high 32 points, and Shawn Kemp had a triple double for visiting Seattle, which drew away with a 17-2 surge in the third period.

Bulls 90, Timberwolves 80: In

16-point effort by Chapman, trailed 26-23 after the first quarter.

The Nuggets stretched the lead to 104-75 after three quarters.

Mahmoud Abdul-Kauf led Denver with 23 points.

Clippers 114, Trail Blazers 110: Dominique Wilkins scored 26 points and Los Angeles capitalized on foul trouble by Clyde Drexler and Horace Grant down the stretch.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Washington, on a five-game road trip, led briefly 12-7, but despite a

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

Lakers 97, Magic 91: Sedale Threatt scored 30 points and Los Angeles withstood a late rally by visiting Orlando.

Threatt hit his last basket with 49 seconds to play, halting a six-point Magic spurt and giving the Lakers a 93-89 lead.

Elmore Spencer added 24 points and Ron Harper had 22 for the Clippers, who dealt the Trail Blazers their fifth consecutive road loss.

Shaqille O'Neal had 17 of his 29 points in the second half and added 16 rebounds.

Grant led the Blazers with 28 points, one short of his season high.

## ART BUCHWALD

## For Tonya, a Hard Sell

**WASHINGTON** — It isn't as easy to sell Tonya Harding commercially as one might think. At one time she was hot on the testimonial advertising circuit. But for some reason after she plea-bargained I couldn't get any interest in her.

From the TV miniseries and "Inside Edition," the only ones to make a firm offer for Tonya's services are the Japanese wrestling promoters who feel that Tonya is made for the sport. I told them I would like to see some yen before I closed a deal.

Buchwald  
I called the Mega Billiard Cue people and suggested that Tonya do commercials for them. I thought that she could hold the Mega cue in her hand and give it credit for furthering her career. They didn't say anything.

Next I telephoned the Atlas Shoelace Company and told them they were missing a sure bet if they didn't hire Tonya to push their "unbreakable" shoelaces.

I made the pitch, "The opening scene of the commercial would be in Norway showing a tearful Tonya with her leg up on the judges' table, pointing to a broken shoelace. In the next scene she would be wearing your shoelaces and skating around happy as a lark."

## Globe Theatre Fund Gets a £300,000 Gift

Reuters

**LONDON** — Plans to rebuild William Shakespeare's Globe Theatre on the banks of the Thames in London got a boost Monday with a £300,000 (\$450,000) donation.

The American actor Sam Wanamaker, who died in December, had campaigned worldwide to raise £8 million to rebuild the 16th-century wooden theater. "It is vital that the work started by the late Sam Wanamaker is not allowed to flag," said Sir Michael Perry, chairman of the Shakespeare Globe Trust, who made the donation on behalf of his company, Unilever. About £2 million is still needed.

"Tonya's everyone's Tinkerbell," I assured him.

"Or 'Casey at the Bat,'" he suggested.

I didn't do too well with Coca-Cola, either. I pitched a commercial with Tonya doing a half-dozen lutes, and then she picks up the ice from the rink and puts it in her diet drink.

They didn't think that Tonya could sell much Coke since she finished eighth in the Olympics.

"Whom are you going to hire?" I asked the man.

"Nancy Kerrigan. She has better legs."

I decided that my best chance was a sporting goods company like Wilson. I phoned and said, "I can get you Tonya Harding at a very low price. She could sell tennis rackets for you."

The gentleman at Wilson listened politely and said, "Wasn't she given probation for interfering in the investigation of an assault on a rival skater?"

"She's had problems with ice skating, but she's absolutely clean when it comes to tennis. You better sign her up right away before someone like Head does."

He declined my offer on the grounds that the minute people saw Tonya they would think of lacrosse rather than tennis.

I spoke to McDonald's, and they said they already had Nancy Kerrigan. This time I blew my stack.

"Why Nancy Kerrigan? Tonya has much more feeling for Big Macs than Nancy."

"Possibly, but Nancy has a bigger name, except with the Portland Probation Board."

I was stumped. Here I had one of the greatest skating stars in America, and I couldn't sell her to anybody.

My last call was to the milk people. I told them, "If anyone can sell milk, it's Tonya."

He said, "We were thinking about letting her take a whack at the account, but we had a change of heart at the last minute."

"You'll be sorry," I warned him.

Tonya would make the perfect spokesperson for milk. Everyone who watches television in America still thinks of her as the girl next door."

## WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.



**Europe**  
Spring warmth will surge from Houston and Dallas through Chicago and Memphis. Mild weather in the Northeast will lead to a return of snow. A cold front moving northward will blanket the mountains from California to Nevada. A soaking rain will occur over coastal California and Oregon.

**North America**  
High winds and periodic rains will be the rule from inland later this week. Snow will fall on the interior of the continent. A cold front moving northward will bring a few snowfalls at midweek followed by dry, slightly cooler weather. Madrid and Rome will be sunny and warm.

**Africa**  
Much of China, including Beijing and Shanghai, will have dry, warm weather this week. Rainy weather at Tokyo Wednesday will be followed by a cold front coming from the north Thursday and Friday. Sunny, very warm weather will extend from Thailand northward to the China border.

**North America**  
High pressure will bring a return of warmth to the interior of the continent. A cold front moving northward will bring a few snowfalls at midweek followed by dry, slightly cooler weather. Madrid and Rome will be sunny and warm.

**Latin America**  
High pressure will bring a return of warmth to the interior of the continent. A cold front moving northward will bring a few snowfalls at midweek followed by dry, slightly cooler weather. Madrid and Rome will be sunny and warm.

**Middle East**  
High pressure will bring a return of warmth to the interior of the continent. A cold front moving northward will bring a few snowfalls at midweek followed by dry, slightly cooler weather. Madrid and Rome will be sunny and warm.

**Oceania**  
High pressure will bring a return of warmth to the interior of the continent. A cold front moving northward will bring a few snowfalls at midweek followed by dry, slightly cooler weather. Madrid and Rome will be sunny and warm.

**Legend:** s-sunny, pc-partly cloudy, c-cloudy, sh-showers, h-hailstorms, r-rain, sl-snow flurries, sn-snow, h-w-weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1994

## Stephen Sondheim and the Art of 'Passion'

By Michiko Kakutani  
*New York Times Service*

**NEW YORK** — "Love without reason," sings the hero of the new Stephen Sondheim-James Lapine musical. "Love without mercy, / Love without pride or shame, / Love so consuming / It doesn't have room / For kindness / Or manners or caution. / Or blame . . ."

"Passion" is about how the force of somebody's feelings for you can crack you open," says Stephen Sondheim, "and how it is the life force in a deadened world."

Earlier Sondheim characters have longed for emotional connection; they have yearned to learn "how to let go, lower their guard, 'relax, let go, let fly,' but the sort of fierce, unaccommodated embrace of feeling achieved by the characters in "Passion" has always tended to be elusive in the past.

In the song "Marry Me a Little" (1970), the hero proposed a nice, safe little relationship: "Love me just enough / / Cry, but not too often. / Play, but not too rough. / Keep a tender distance / So we'll both be free / That's the way it ought to be."

In "Finishing the Hat" (1984), the hero sang of being unable to break out of the cool, perfect world of his painting: "... the woman who won't wait for you knows / That, however you live, / There's a part of you always standing by, / Mapping out the sky . . ."

In contrast, Giorgio, the hero of "Passion," is not only confronted with the frightening, engulfing possibility of real love, but is also able — after considerable conflict and pain — to fully surrender. He sings of "A love that, like a knife, / Has cut into a life I wanted left alone." He sings of "total surrender" and "Love unconcerned / With being returned."

Based on Ettore Scola's brooding neoromantic movie "Passione d'Amore" (1981) (which in turn was based on "Fosca," an 1869 Italian novel by Ignazio Tarchetti), "Passion" deals on the surface, with a man's relationship with two women.

The show (which stars previews on Thursday at the Plymouth Theatre on Broadway and opens on April 28) begins in 19th-century Milan, where Giorgio — a handsome young military officer played by Jere Stetka — is in the midst of a head affair with Clara (Marin Mazzie). Giorgio is soon transferred, however, to a remote provincial outpost, where he makes the acquaintance of Fosca (Donna Murphy), his commanding officer's willful and sickly cousin, who becomes obsessed with him.

Through these two women — whom Lapine, the show's librettist and director, sees as embodying opposing principles of light and dark, order and chaos — Giorgio will be forced to explore his own deepest feelings.



Frederick M. Brown / The New York Times

Ready a new musical, Sondheim, 63, says he's "happier than I've ever been."

ings and fears. The show, as Lapine says, is "sort of about being naked. It reminds you of those moments in life, which we've all had, where we were obsessive, possessive or out of control."

Though Sondheim's work has always eschewed the simplistic Polyanthian conceits of the old-fashioned musical-comedy romance, the vagaries of passion and commitment have been favorite subjects throughout his long and innovative career.

Ambivalence, self-consciousness, fear of caring too much, fear of intimacy and hurt, uncertainty and yearning and regret — these are the animating emotions of songs as varied as "Send in the Clowns" and "With So Little to Be Sure Of."

"There was some personal connection clearly," says Sondheim of his first reaction to the Scola movie. "I think it's about a desire to open up, a desire to be like Giorgio." Although Sondheim told Time magazine in 1987 that he had never been in love, he says his life "has changed a lot" recently, and "it's one of the coincidences that that happened while I was writing 'Passion' and vice versa."

When Sondheim first saw the Scola movie in 1983, he says he had an immediate visceral response, and instantly seized upon the idea of turning it into a musical.

Initially, the composer and Lapine — his collaborator on "Sunday in the Park With George" (1984) and "Into the Woods" (1987) — conceived of pairing "Passion" with another one-act show called "Muscle," which dealt with a weight lifter's efforts to create a perfect body. As work on "Passion" progressed, however, it evolved into a complete evening in itself, and plans to do it with "Muscle" were shelved.

"There was no personal connection clearly," says Sondheim of his first reaction to the Scola movie. "I think it's about a desire to open up, a desire to be like Giorgio." Although Sondheim told Time magazine in 1987 that he had never been in love, he says his life "has changed a lot" recently, and "it's one of the coincidences that that happened while I was writing 'Passion' and vice versa."

By turns spirited and introspective, sophisticated and ardent, Sondheim's songs possess a verbal electricity that animates whatever he's discussing, whether it's turn-of-the-century French music or a new computer game, "Ulysses" or "Jaws."

There is a fierce critical intelligence at work here, but beneath the analytic zeal, beneath the love of language, there is also a boyish enthusiasm and directness.

At 63, Sondheim says, "I'm happier now personally than I have ever been." "It was after a struggle," he says, "and after a lot of pain — just the way Giorgio has to struggle a long time." Twenty-five years of analysis, he believes, helped lay the groundwork for the richness he now feels in his life: "It's not entirely luck," he says. "I think you have to be ready for things."

Although "Into the Woods" stands alone in its explicit manipulation of Freudian and Jungian symbols — the show used a ram-bunctious collection of fairy-tale characters to examine what Bruno Bettelheim called the dark, hidden world of our unconscious — self-knowledge and emotional connection remain the aims of many Sondheim characters, from Fay in "Anyone Can Whistle" (1964) to Ben in "Follies" (1971) to George in "Sunday in the Park."

While the people in "Follies" and "Merry-We-Roll-Along" (1981) used the past to measure their loss of youthful ideals, later Sondheim characters have been able to accept the past, even find it in the sources of redemption.

Certainly given the remarkable range of material ticked by Sondheim's shows and the fact that he has rarely imitated those projects himself, it is simplistic to try to find direct autobiographical parallels in his music. Perhaps the best analogy to his songwriting's interpretive function comes from another theatrical profession: "To write a song," he says, "you have to be the actor."

"It's like I'll play Blanche DuBois," he has explained. "You've already thought about her. Her attorney said she needed a breathing spell to reorganize her financial affairs."

Like any good playwright, Sondheim does not write generic set-pieces, but highly specific character pieces that delve beneath the surface to illuminate a specific individual's dilemmas, illusions and desires. At the same time that shows like "Company," "Follies" and "Sweeney Todd" (1979) were redefining the form of musical theater, Sondheim's songs were daringly pushing the boundaries of Broadway lyric writing, introducing audiences to characters as complex, subversive and nervously modern as anything in the plays of Albee or Pinter or Pirandello.

## PEOPLE

## Annual Razzies Salute Worst of Hollywood

Dishonorable mention: "Independent Proposal" was chosen the worst film and Madonna and Burt Reynolds were named the worst stars at the 14th annual Golden Raspberry Awards, which were to take place Monday evening in Los Angeles. "Independent Proposal," which starred Robert Redford and Demi Moore, "hissed on all the basic Razzie cylinders — big budget, big stars, big box-office grosses, major studio — it was a turkey, a truly horrendous film," said John Wilson, a writer of movie trailers and TV commercials, who organizes the Razzies. Any resemblance to the Oscars is purely coincidental.

Bill Watterson, the creator of the comic strip "Calvin and Hobbes," is tired of deadline pressure and taking the rest of the year off. Universal Press Syndicate announced his leave starts April 3. The syndicate said that Watterson would spend some time painting.

Pamela Harriman, the U.S. ambassador to France, is said by The Washington Post to be a bit unhappy these days after reading an advance copy of a biography of her by Christopher O'Donnell, a Time magazine correspondent. "It's not clear what bothers her most, but the title alone — 'The Life of the Party,' a double entendre on her Democratic Party activities and active social life — could be a troubling one."

The actor Alain Delon and his companion, the former model Rosalie Van Bremen, have a new son, Alain-Fabien. The couple also has a 3-year-old daughter, Anouchka. Delon also has a 29-year-old son, Anthony, an actor.

## INTERNATIONAL CLASSIFIED

Appears on Page 8

## CROSSWORD

